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National rail strike called for June 23 by NUR executive

BY ROY ROGERS, LABOUR CORRESPONDENT

Britain's largest rail union, the National Union of Railwaymen, yesterday rejected the 27.7 per cent. pay award made by the industry's arbitration machinery and called a national strike from June 23 if British Rail does not meet their demands for increases of between 30 and 35 per cent.

But they have allowed three weeks' leeway duringwhich the strongest pressures are likely to come from both the Government and the TUC for the NUR to call off what would be its first national stoppage since 1926.

This latest, and most blatant, challenge to the social contract comes within two weeks of the TUC General Council sending all affiliated unions forceful circulars stressing the necessity of adhering to the contract wage guidelines.

But in their challenge, which comes near the end of the annual wage bargainging round, the NUR is alone. Yesterday, the Associated Society of Locomotive Engineers and Firemen (ASLEF) accepted the tribunal's award in line with the decision of the third rail union, the Transport Salaried Staffs Association, taken last Friday.

If the strike goes ahead from midnight on Sunday, June 22, its effect would be total, for the NUR represents almost all grades from porters to signalmen including some drivers.

Services would be halted immediately but industry would not be hit anywhere near as quickly as by a stoppage of, say, electricity supply workers.

With all passenger services halted, offices would be the first to be hit with many staff unable to get to work.

Gradually, the lack of rail freight movements would hit industry and power stations as they run out of fuel, the vast majority of which is moved by rail—although the Central Electricity Generating Board is understood to have considerable *stocks already at power stations.*

Foot calls on unions to help social contract. Back Page

The strike call by the NUR executive was a major set-back for the union's new general secretary, Mr. Sid Weighell, who had asked to be allowed to seek improvements on the tribunal award. Instead they voted 21-3 for strike action.

An obviously disappointed Mr. Weighell said last night their was not much difference between the two policies. One was to seek more talks and come back for the club if they were unsuccessful while the other was to "take the club with you."

He was now firmly behind the executive's decision which was based on their reluctance to see railwaymen falling behind other public sector workers.

The executive, he said, had reiterated its demand for increases of 30 per cent. for those at present on rates of £36 or more and up to 35 per cent. for the lower-paid. They wanted to establish a new minimum rate of £34.65 designed to keep the railman in the same position relative to the surface miner.

In doing so, they rejected the tribunal's suggestion of raising the present minimum from £26.65 to £32.70—including £4.40 a week cost-of-living threshold payments already being made—*plus a £4-a-week guaranteed* earnings level which meant that no railman would receive less than £36.70 a week.

Mr. Weighell commented last night that this suggestion was "bristling with problems" as it would upset pay differentials at the lower end of the pay scale.

"Our people did not want that. We are prepared to settle for less than the £36.70," said Mr. Weighall, goin gon to explain that his executive could not understand why they have been selected for treatment "less favourable" than other areas of the public sector which have been settling for increases of 30 per cent. and above.

Chrysler stewards to seek return

By Peter Cartwright, Midlands Correspondent

SHOP STEWARDS at the strike-hit Chrysler engine factory, Coventry, decided yesterday to recommend a return-to-work.

The 4,000 engine workers, on strike for three weeks, will vote on the stewards' recommendation at a meeting to-morrow.

If they agree to go back, Chrysler will start recalling another 8,000 workers laid off in the Midlands and Scotland. By the time production can resume, the strike will have cost the company some £15m. sales revenue. Last year, Chrysler U.K. showed an overall loss of nearly £18m.

Unanimous

The stewards were unanimous in deciding that the £15m. pay offer of an average £10 for the *26,500 employees provided* the basis for a return.

But 51 of the 121 voted for an amendment that could have put a spoke in the company's proposals for nationally coordinated wage bargaining by demanding a continuation of plant negotiations.

If the men return, as they seem likely to do, they can be certain of an initial extra £8 a week which they came out for—plus a further £2 if conditions attached to the radical proposals for employee participation and profit-sharing are met.

From July 1, starting date of the new contract, the negotiating committee will be going for the £15 a week they are ultimately seeking.

Reluctance

Mr. Bob Morris, the strike leader, said the union negotiating team had recommended a return "with great reluctance."

But he added: "If we carried on with this fight at this time, we would virtually be fighting the whole Chrysler combine with our friends and colleagues sitting on the sidelines."

Although the negotiators hope to improve on the offer, one shop steward said after yesterday's meeting he did not think they would be successful.

£ in New York

—	May 30	Previous
Spot	\$2.3195-3105	\$2.3155-3165
1 month	0.91-0.86 dis	0.97-0.92 dis
3 months	2.97-2.82 dis	2.95-2.90 dis
12 months	11.60-11.50 dis	11.70-11.56 dis

Israel Sinai forces cut in peace move

BY ALAIN CASS SALZBURG, June 2.

THE SEARCH for a Middle East peace settlement appears to have been given a new breath of life *following two days of meetings* between President Ford and President Sadat of Egypt.

The general atmosphere of muted optimism was reinforced with the news that Israel will thin out its forces in Sinai as a reciprocal gesture for the opening of the Suez Canal on June 5.

In an interview on American TV, President Sadat said that Israel's decision was a "very encouraging act" and "a step towards peace."

In practical terms, it is reliably understood from Egyptian sources that in return for the force reduction all "non-strategic" cargoes to and from Israel will be allowed through the Suez Canal (though not under the Star of David flag).

This is seen as the "completion of a cycle of commitments" relating to the Sinai disengagement agreement of January, 1974.

Dr. Kissinger termed the troop reduction "helpful but not decisive." This guarded comment reinforces the general impression that these talks have been part of the softening-up process on Israel. In this connection Dr. Kissinger said, with apparent meaningfulness, that the final figures of U.S. aid to Middle East countries would be reached only at the end of the Washington reassessment of its policies in the area.

Despite the general, almost reticent summing-up by the two leaders this morning, it was clear that a lot of ground has been covered in these talks, with details and concrete proposals on substantive issues having been submitted by both sides.

Dr. Kissinger said later that the talks had been "very positive, very constructive" and provided "the basis for useful talk with the Israelis." He added: "We are moving into a period when some momentum can be put back into the peace process."

There is some evidence to indicate that President Sadat has been given assurances by President Ford that the Administration will put its full weight behind the search for a peace settlement. This would include further interim Israeli withdrawals, but it is doubtful whether Mr. Ford has committed himself to deciding *America's ultimate objectives* in this area.

The question of economic aid to Egypt as part of the U.S.'s persistent attempt to give President Sadat political independence through economic viability figured largely.

Significant progress was made both on the question of bilateral aid to Egypt and the special fund to be set up in association *with other countries and world* bodies. One senior Egyptian official described the scheme as a sort of "Marshall Plan."

This would, it is understood, involve several countries, including the U.S. and some oil producers, as well as the World Bank and the UN.

The two presidents examined the possible political options and the impression left was that both sides concentrated on the need to resume the step-by-step approach as a lead-up to the Geneva Conference.

The key question of an interim agreement in Sinai to be followed by another on the Golan Heights was exhaustively analysed.

Two other significant indications of the Egyptian position have also emerged. The first is that *Egyptian officials have said* that there should be no problems in renewing the UN forces' mandate, which expires at the end of July, for a considerable period of time.

The second is that there is likely to be a considerable degree of Egyptian flexibility on the issue of the passage of Israeli cargo in ships of third nations through the Suez Canal.

Richard Johns writes: A 50 per cent. cut-back in the number of Israeli troops in the limited forces belt along the Sinai demilitarised zone—from 7,000 to 3,500 men—and a pull-back of heavy weaponry was announced yesterday in Jerusalem by Mr. Yitzhak Rabin, Israeli Premier.

Gesture

The decision was described as a unilateral goodwill gesture made without prior consultation with Washington, and Mr. Rabin asserted at a Press conference that it had no connection with the Ford-Sadat summit.

However, there is little doubt in the minds of well-informed diplomats that the Israeli action was deliberately timed and undertaken at least with U.S. encouragement, if not under American pressure.

Having long demanded that Egypt should proceed with reconstruction along the Suez Canal as a sign of good faith, the Israeli Government had little choice but to match the reopening of the waterway with a reciprocal measure directed towards detente—both to improve Israel's image and to strengthen Mr. Rabin's position in the Washington talks next week.

Mr. Rabin said that his Government considered "the resumption of international ship-

Continued on Back Page

NEWS SUMMARY

Index reaches 18-month peak

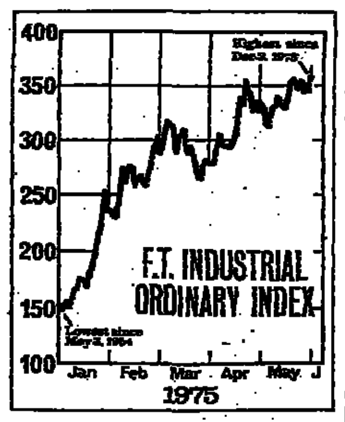
The first day of a new Stock Exchange Account yesterday saw raw equity leaders in good form, with widespread gains reflecting the latest poll findings showing pro-Marketeers well ahead as the referendum campaign entered its final few days.

Up 13 points in its biggest single day's rise for six weks, the FT 30-share index closed at 358.1—its highest for 18 months and a level 145 per cent. above the 20-year "low" recorded early last January.

The level of demand failed to expand from recent extremely low levels awaiting Thursday's referendum vote, and buying was mainly of a speculative nature.

Sentiment, already good, was given a further boost in the afternoon on news of the Israeli decision to pull back further from the Suez Canal and closing prices were at, or near, the day's best.

British Funds held firm with gains generally ranging to ¾ in fairly quiet trading. South African Gold shares were unsettled by the proposed further U.S. gold auction and the FT Gold Mines index dropped 19 points to 410.0.



Near the close last night, Wall Street was up 15.64 at 847.93.

Distress calls in the Wall Street price war, Page 18

GENERAL

Rhodesia Africans at odds

A serious split has developed in the ranks of the African Nationalist Council in the wake of Sunday's violence in Rhodesia, when police shot 13 Africans dead and injured 28 others.

The Zimbabwe African Peoples Union and the Zimbabwe African National Union, which merged last December in an uneasy umbrella alliance within the ANC, are blaming each other for creating the incidents that led to police intervention and shooting.

The split withi nthe ANC — so apparent from the fighting between rival groups on Sunday —came into the open at executive level yesterday when Mr. Enos Nkala, ZANU leader in the absence of the Rev. N. Sithole and Mr. R. Mugabe, announced a boycott of the ANC congress planned for June 21-22 in Salisbury. Back Page

British Airways strike continues

There will be no British Airways European or domestic flights out of London's Heathrow airport at least until tomorrow night. Yesterday maintenance men decided to continue their four-day-old strike over more money for handling TriStar airliners. British Airways said the action was losing it £1m. a day in revenue. Page 15

Wet Referendum day forecast

Rain is expected to sweep much of Britain as the nation votes in Thursday's EEC Referendum, according to the Meteoroligical Office's medium-range forecast. Snow fell in many places yesterday, from the Scottish highlands to Colchester, Essex. Weather, Back Page, Referendum news, Pages 12 and 13

Rees repeats Ulster pledge

In a further effort to stop talk in Ulster about British withdrawal Mr. Merlyn Rees, Northern Ireland Secretary, firmly repeated in Belfast that there would be no sell-out and no question of withdrawing troops "in a fit of pique." Page 8

Beating the drum

The Premier Drum Company of Leicester, which exports tom-toms to Nigeria, bird whistles to the Canary Islands and maracas to Caracas, has won the Vladivar Vodka Incredible Export Award. Page 4

BUSINESS

Gold falls after U.S. sale plan

● **GOLD dropped sharply in London yesterday after Friday's announcement of the planned sale of another 500,000 ounces by the U.S. Treasury. It closed at \$162½ an ounce, a fall of \$5¼ *from Friday's level* and its lowest since October 23.**

● **STERLING** rose 30 points to \$2.3195. Its weighted depreciation again narrowed to 24.6 (24.7) per cent. The dollar's fall widened to 7.09 (6.93) per cent.

● **BRITISH STEEL** Corporation has begun to implement cost-saving measures agreed with the unions less than two weeks ago as an alternative to heavy redundancies.
Back Page

● **NORTHERN DEVELOPMENTS** (Holdings) is in the hands of receivers. There is no present plan to liquidate the company, and it is hoped to continue it as a going concern.
Back Page

● **OCEAN TRANSPORT** and Trading has repossessed the tanker Titan from Mr. Hilmar Reksten because of non-payment of the charter hire since May 1.
Back Page

● **BOWMAR** Instrument Corporation, the U.S. pioneer of pocket calculators, is quitting the electronic calculator and digital watch business.
Page 24

● **MASSEY-FERGUSON** shop stewards representing 4,500 strikers at the Coventry plant overwhelmingly voted to continue the sit-in.
Page 15

● **MR. JOHN WEST**, general manager of Cornhill Insurance, a subsidiary of Thomas Tilling, has resigned after policy disagreements.
Men and Matters Page 18

COMPANIES

● **METAL BOX** pre-tax profits for the year ended March 31 reached £36.71m. Of the £7.5m. increase, £6.5m. came in the first half.
Page 22 and Lex

● **PERCY BILTON** pre-tax profits expanded from £3.08m. to a peak £4.25m. in 1974, "against the general trend of the property world."
Page 23 and Lex

● **SOCIETE** de Generale Belgique's convertible issue for B.Frs.2.7bn. (£32.5m.) was fully subscribed on opening day. It is not yet known whether the issue attracted the hoped-for overseas interest.
Page 24

Lever dismisses Varley worries on oil control

BY JOHN BOURNE, LOBBY EDITOR

FURTHER DIVISIONS in the Labour Party over the Common Market appeared yesterday. Mr. Harold Lever, Chancellor of the Duchy of Lancaster and financial adviser to the Prime Minister, dismissed the anxieties of Mr. Eric Varley, the anti-Market Energy Secretary, on North Sea oil as "unfounded." There was further support and criticism for *Mr. Reg Prentice's "national* unity after June 5" speech; and Mr. Anthony Wedgwood Benn pulled out of last night's Granada TV debate because he objected to Labour "antis" sitting on the same side of the studio as Tory "antis;" notably Mr. Enoch Powell and Mr. Neil Marten.

However, Mr. Edward du Cann, chairman of the Conservative Backbenchers' 1922 Committee is expected to say in Taunton to-day that the split in his party over the EEC is just as real as that in the Labour Party.

He is thought likely to argue that the Tories are loyal to their leadership, which is why the split has not yet been displayed in public. Mr. du Cann abstained from the Commons vote on the principle of Common Market entry in 1971.

Two new claims were made by the "antis" yesterday. Mr. Michael Meacher, MP, now Mr. Benn's acting No. 2 at the Department of Industry, said in Middlesbrough last night that the Commission acquiesced only "grudgingly" to hte first £265m. tranche of Government aid to British Leyland. The Commission made it perfectly clear, he added, that it much preferred the German solution for Volkswagen, which involved major closures and redundances.

**Why a "No" would upset the Danes, Page 6
Referendum News, Pages 12 and 13**

"What guarantee is there," he asked, "that after June 5 it will agree even reluctantly to the remaining £1bn. which the Government believes British Leyland needs—unless there are major redundancies here, too?"

And Mr. Dai Francis, Communist general secretary of the South Wales Area of the Miners, said that staying in the EEC could mean the loss of 10,000 jobs in the coalfield over the next 10 years because the Community was committed to a policy of expanding nuclear power.

Last November, the EEC Commission had produced a document—A Medium-term Guideline for Coal—which envisaged that South Wales output could be halved by 1985, he added.

Mr. Lever's criticism of the Energy Secretary, who on Sunday had warned that Britain might lose full control over North Sea oil by staying in the EEC, was made in a BBC interview. He said that the Common Market had no legal facility to influence our claims over the oil or gas.

On Mr. Varley's concern over the rate at which we might be obliged to extract the oil in the future, Mr. Lever said: "He is not very confident about the intelligence of future governments in the 1980s. If the British people are going to elect incompetents who are going to abdicate on their major rights, it won't very much matter if we are in the Common Market or not."

Mr. Michael Foot, Employment Secretary, said in Blackpool that he did not believe the advantages of North Sea oil coming to Britain could be removed by our membership of the Market: "But I agree with Eric Varley that our control over North Sea oil could be impaired by membership. *I believe he* knows what he is talking about."

Mr. Patrick Jenkin, the Conservative spokesman on energy,

Continued on Back Page

Building losses for John Brown

BY STEWART FLEMING

JOHN BROWN and Co., one of the country's leading engineering groups, has lost £4.9m. on construction operations in its current financial year and has decided not to recommend payment of a final dividend.

In a letter to shareholders Lord Aberconway, the chairman, says that although the profits earned by the rest of the John Brown Group will exceed the losses on the construction contracts, because of the incidence of tax the group will report a loss after tax for the year to March 31, 1975.

Last year, on a turnover of £124m., John Brown earned a pre-tax profit of £4.2m. and a net profit attributable to shareholders of £1.97m.

In his letter Lord Aberconway says that although the full year-end results will be announced on June 27, the directors of John Brown decided that they should tell stockholders at the earliest opportunity that a number of construction contracts in the Constructors John Brown division have continued to go badly.

Shareholders were told in the company's interim statement in January of this year that Constructors John Brown's profitability was suffering from the adverse affects of certain earlier, longer-term contracts owing to heavy inflation and the shortage of and delays to materials, consequent on the three-day working week.

The interim statement forecast a profit for the year down from £4.2m. to £3.5m. as a result of the difficulties relating to the construction contracts.

Lord Aberconway now amplifies the background to these problems, stating in his letter that three contracts dating from 1972 are mainly involved, one in the United Kingdom and two overseas. He says that these "have now been appraised as at CJB's year-end and CJB's results for the year have, within close limits, been ascertained, subject to audit."

He adds that the loss of £4.9m. at CJB includes provision on a conservative basis against costs to completion and the future share of general overhead expenditure applicable to the losing contracts. It does not include any credits for claims for extras likely to be successful but not yet agreed.

"While CJB's losses are grievous to stockholders, they in no way are a reflection of CJB's technical and management performance on behalf of its clients." Lord Aberconway states, adding that the company's prospects remain good. Ahead of the announcement the shares of John Brown rose 4p to 118p on the Stock Exchange yesterday.

Lex, Back Page

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES

Transport 4pc 72-77	£88¾	+ £1
Beecham	xd308	+ 11½
Bilton (Percy)	133	+ 10
Boots	260	+ 9
BTS	335	+ 17
Carless Capel	60	+ 8
Commercial Union	153	+ 13
Dunlop	53	+ 4
English Property	90	+ 3½
GEC	192	+ 8
Lyons	380	+ 17
IC	126	+ 6
Glaxo	428	+ 18
Land and Metropolitan	65¼	+ 4½
GUS 'A'	193	+ 10
GKN	256	+ 10
Haslemere Estates	220	+ 7
Hepworth/stair	81	+ 6
ICI	290	+ 9
Lloyds & Scottish	71	+ 6
London Brick	50	+ 4
Lyons (J.) 'A'	164	+ 12
Marks & Spencer	242	+ 11
Mid.-Yorks. Chems.	475	+ 50
Nat. Westminster Bk.	247	+ 14
Pentland Inds.	9½	+ 2
Tate & Lyle	268	+ 11
Thomson Org.	204	+ 10
Thorn Elect. 'A'	152	+ 12
Tube Invs.	298	+ 14
Unilever	394	+ 14
Vickers	137	+ 8
BP	518	+ 28
Shell Transport	329	+ 11

FALLS

Cons. Gold Fields	269	− 9
Falcon Mines	225	− 10
Gld. Mines Kalgoorlie	185	− 15
Hartebeest	£28	− 2
Messina	xd340	− 30
S.A. Lands	665	− 35

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FEATURES

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LOMBARD

The war a "yes" vote could start

BY C. GORDON TETHER

THOSE businessmen who have taken on board pro-Market propaganda that a "yes" vote in the forthcoming referendum will finally put an end to uncertainties surrounding the EEC element in our economic outlook are clearly in for a shock. And not only because the referendum itself has turned out to be such a travesty of the democratic exercise it was supposed to be that many anti-Marketeers may well refuse to accept such a verdict.

It is now clear that our own Government's ideas of where the Community goes from here are basically in conflict with those of the other EEC countries—so much so that a British decision to stay in could provide the starting signal for a prolonged and bitter struggle between the two sides of the Channel on such crucial integration issues as economic and monetary union.

Anti-Marketeers have been pointing out for some time past that there is a basic contradiction in the pro-Market theme that Britain can secure much greater power and influence in the world at the cost of the loss of only a little sovereignty by remaining within the Common Market. The point they make—and it is hard to see how it can be refuted—is that a European bloc could become a force in the world of the kind the pro-Marketeers are conjuring up only if its integration had reached such an advanced stage that it could count on the unswerving support of its member countries over a very wide range.

View shared

In the past few weeks, there have been two developments on the other side of the Channel that point up the significance this issue has for Thursday's referendum.

In the first place it has become apparent that the anti-Market view is still widely shared within the Common Market, notwithstanding the fact that there has been a general willingness also during the past year to suspend the onward march towards integration while the problems created by the oil prices upheaval were sorted out. For example, Commissioner Guido Brunner, who is said to reflect the mainstream of Community thinking on economic and monetary unification, has stressed that this is still seen as a top priority objective.

In the second place, it has been demonstrated that the other EEC members are going to regard with a good deal of impatience any tendency on the part of the British Government to stand in the way of further major moves towards unification.

Pointing last week to the fact that the Continental member countries were again developing a considerable enthusiasm for economic and monetary union, President Giscard d'Estaing of France argued that there was no reason why the Community should be denied progress under this heading because one or two of the members were reluctant to face up to its implications. And that puts the British Government in a very awkward position.

For while at last December's EEC summit conference, the Prime Minister re-affirmed Britain's willingness to participate in "progress" on this front, the Mark II Government prospectus for British involvement in the EEC comes near to saying that the subject is in the dead letter class.

Economic and monetary union was now regarded, the White Paper on *renegotiation said,* as "over-ambitious and unobtainable" and it then went on to claim — with what authority is far from apparent—that "in practice other members of the Community accept this."

It may be recalled that, shortly after he had assured Parliament and people back in 1972 that no significant loss of sovereignty would be entailed by taking Britain into the Common Market, Mr. Heath attended an EEC Summit Conference at which he clearly committed the country to participate fully in the Community's newly created plan for completing economic and monetary union by 1980.

It may, of course, be the case that Mr. Wilson is hoping that, if the referendum yields a "yes" *vote, he will subsequently* be able to equate the Government's line with the demands of our EEC partners in similar fashion.

But, since it can be taken for granted that this time there will be a much greater awareness in the country at large of the importance of seeing that the Government sticks to the prospectus, it seems unlikely that it will be allowed to slide out of its undertaking to the home side in such easy fashion.

The obvious conclusion is that what will not end uncertainties about Britain's EEC future is a "yes" vote in the referendum. All it will do is to ensure that the argument rolls on at another level. The one and only way in which this massive irritant can be removed from the economic *scene is through a "No" vote that* is resounding enough to ensure that the subject will be buried for a long time to come.

RACING — BY DOMINIC WIGAN

Lizzie Eustace at Salisbury

THE LATE George Todd had a highly profitable time on Salisbury's Downland course when he was training at Manton, and his successor at the famous Marlborough stable, George Peter-Hoblyn, is also beginning to do well there.

This afternoon Peter-Hoblyn could well achieve a double on the Wiltshire track through *Paper Chase* and *Boundless*, both of whom are ridden by Tony Murray, a jockey with a fine record here.

The first from this pair to run is Paper Chase, who goes for the Harnham Handicap (2.30). A winner once from ten starts last season, Paper Chase has already been placed twice in the current campaign.

On his third and most recent appearance this bay son of Current Coin failed by only three-quarters of a length to get to Record Run in the Zetland Gold Cup at Redcar eight days ago. A reproduction of his running there ought to enable Paper Chase to gain a well-deserved third success of his career.

The course winner, Edwards Hill, the mount of Murray's close friend and rival, Willie Carson, ran well enough on his seasonal debut when fourth to Mahblessed at Chepstow, to suggest that he may be the Manton four-year-old's principal opponent.

Boundless, among the runners for the Durnford Handicap (4.00), has also had three outings this season, with his best performance having probably come at Goodwood on May 22, where he took fourth place, some four lengths behind the winner, Hovis, in the Selhurst Park Handicap over to-day's distance of six furlongs.

SALISBURY

2.00—Flare Square
2.30—Paper Chase*
3.00—Majoroy
3.30—Lizzie Eustace***
4.00—Boundless**
4.30—Striker

HAMILTON

7.00—Tubular Bells
7.25—Kernel Rose
7.50—Darling Bob
8.20—Nest Egg
8.50—Granville Court
9.20—Onward Tsubame

Alezan Dore, to whom Boundless was to have given 4 lbs, has been scratched, and with that tough filly out of the way I shall be disappointed if Peter-Hoblyn's charge fails to oblige.

The Queen has rarely had runners in sellers, and many will be interested to see how her two-year-old, *Flare Square*, goes in the Bishopstone Selling Plate (2.00).

This chestnut filly by that prolific and successful sire, Red God, out of Alberta, a winner three times over one-and-a half miles, seems likely to make a winning debut provided that she has some ability, now that both Red Czar and Ryan's Pride have been taken out.

In the only other juvenile race of the afternoon at Salisbury, *the Rubbing House Plate (3.30)*, I shall not look further than to *Lizzie Eustace* for the winner. This grey half-sister to Posy, racing in the violet and cerise colours of Mr. John Hislop made famous by Brigadier Gerard, ran respectably to finish fourth of 14 behind Hey Presto on her only previous appearance, at Windsor just under a month ago; and it is thought that she has made above average improvement.

Broken Date, who occupied the same position in a race won by Tanella at Haydock on May 23, may follow the selection home.

Turning to the Derby, Ladbroke's report continued heavy backing for the favourite Green Dancer, who remains at 6—4 with them, and also support for Sea Break and Fidian. In contrast Tote investors have found the stable companions, Grundy and Red Regent, the main attractions.

SALEROOM — BY ANTONY THORNCROFT

Sotheby's charges buyers, too

SOTHEBY'S announced yesterday that it was following Friday's lead by Christie's and introducing a 10 per cent. commission charge fo buyers at its sales. At the same time it is reducing the charge to a seller from an average of 14 per cent. *to 10 per cent. The new rates* come into force from September 1.

The salerooms have been forced to introduce a charge for buyers because of the rise in costs in recent months, which has coincided with a fall in prices in many markets and, consequently, of turnover. There has been some recovery in prices this year but not enough to make up the decline in profits given traditionally low margins.

The other London salerooms were reluctant to copy Christie's initiative but now that Sotheby's has done so Phillips and Bonhams are expected to follow suit to-day. However, it is possible that Phillips, while reducing its charge to sellers to 10 per cent., may ask buyers to pay just a 5 per cent. premium.

Christie's and Sotheby's point out that a charge for buyers is common practice on the Continent (although not in New York), and that their commissions for sellers will now be considerably lower than elsewhere. In the past the 10 per cent. commission applied in London only to works of art *which fetched over £10,000; for* the majority of lots, which go for under £500, the commission previously was 15 per cent.

It is possible that, given the delicate nature of many art markets, bidders will bid more conservatively to take account of the extra premium they will have to pay. There was, however, one bonus for buyers yesterday: Sotheby's announced that, in future, it will provide purchasers with a five-year guarantee against forgery.

At Sotheby's yesterday a miniature by Nicholas Hilliard, dating from around 1600, was anonymously acquired for £10,000. The price was roughly up to expectation but will below the record for a Hilliard, mainly because the lady depicted is unknown. The miniature was sold by Mrs. Clement Williams, and was the star item in a sale of silhouettes and miniatures which totalled £63,710.

Other prices were generally on, or above, target with a gold Swiess musical snuff box, given by Tsar Alexander I to General Kontorizoff after the defeat of the French outside Moscow in 1812, *going for £5,900* (as against the £2,000-£3,000 forecast), and a gold-mounted glass snuff box of Andrien-Jean-Maximilien Vachette of about 1800 making £5,700, also well above target.

A Swiss musical desk and work-box by Francoise Nicole sold for £2,800, near the top of the estimate.

Also at Sotheby's there was the first day of a four-day sale of children's books which totalled £9,839. The top price was the £300 paid for "A New Lottery Book of Birds and Beasts for children to learn their letters as soon as they can speak," written in 1771. "The children's weeks-work," by William Ronksley, 1717, was bought by Schiller for £280. Some of the lots in this sale were bought for £1.

Christie's successfully completed a sale of English pottery and Delftware, with a total of £25,599.

WINE

Champagne: Problems of success

BY EDMUND PENNING-ROWSELL

IF BORDEAUX must be considered to some extent the architect of its own current misfortunes, Champagne may fairly be described as the victim of its success. For while it is very doubtful whether the high prices and large sales of fine red Bordeaux, that mesmerised so many, represented consumer demand, there is no reason to question the reality of the extraordinary rise in world consumption of champagne.

The figures tell the story. In 1953 total sales ex-Champagne were 30m. bottles, of which 11m. went abroad. Ten years later sales had risen to 64m. bottles, and by 1973 to 124.7m. Exports had risen even faster than French consumption — from 17.2m. bottles in 1963 to 44.2m. in 1973.

Too rapid expansion

This quadrupling of growth within 20 years brought problems peculiar to Champagne. Of course, it had advantages in expansion not open to Bordeaux or Burgundy: plenty of *appellation contrôlée* land available for new cultivation, large firms not lacking its resources, and the best-organised trade of any French wine region. However, this rapid, too rapid, expansion resulted in strains that led to mergers, to the intervention of outside capital and to increasing problems of stock.

For champagne is necessarily an expensive wine to produce. The grapes are dear nowadays, but more important is the considerable amount of handling a bottle of champagne requires before it is ready for despatch and drinking. Moreover, it has to be kept—at least for two years for champagne of quality, and longer for the best non-vintage and vintage. The current vintage wine of most champagne houses is the fruity, full-bodied '69.

The problem of stock has been accentuated in this long period of rising demand. A champagne house must reckon on a minimum of three years' supply; so when demand is increasing, for every additional bottle it expects to sell, three bottles have to be laid down. In the past ten years this has imposed a severe financial burden that increased spectacularly as interest rates rose.

By 1973, in spite of a record crop in 1970, the three-year stock level was breached, and came down to 2¾ years' supply; or, in terms of bottles, there was a shortage of 30m. bottles. Yet with costs rising, turnover had to be increased. In 1973 a near-record harvest occurred, but no surplus of grapes was apparent. Indeed last year's above-average crop (from a vineyard area constantly in expansion) was officially described as "a comfortable quantity."

This is not, perhaps, the description that would be applied in Rheims or Epernay to-day. For at the beginning of last year the market changed *overnight*, though this was not at once realised. For if the signs were already on the wall, they were hidden not least by extravagant increases in overseas demand. For the U.K. in 1973, on the eve of the three-day week era, to have increased its imports by over 2m. bottles (27 per cent.) compared with 1972, and for economically vulnerable Italy, Champagne's second market, to have raised its purchases by nearly 1.7m. bottles (20 per cent.), seems now in retrospect extraordinary indeed.

The reason for this export spurt—a total rise of 4½m. bottles (11.4 per cent.)—was not so much increased consumption as speculative buying by trade importers fearing the substantial rise in prices that took effect in January of last year. This stockpiling also took place within France, but to a lesser extent; for one of the omens was a decline in domestic demand in the latter months of 1973.

Much of the blame for last year's price increases has been placed on the jump in grape prices in 1972 and 1973. The officially-fixed prices in the best areas rose from Frs.5.4 per kilo in 1971 to Frs.8.37 in 1973; and a bottle of champagne takes about 1¼ kilos. However, to blame the growers is not really fair. From 1966 to 1971 grape prices rose only from Frs.4 per kilo to Frs. 5.41. Certainly the growers benefited from a sellers' market, but by and large the 15,000 growers in the region have no more lived a life of well-paid ease and profit than most wine growers elsewhere.

The high cost of the merchants' champagne is more the result of the necessity for large stockholding, the high cost of finance, and the considerable marketing and mark-up figures. The difference can be seen in the prices of the champagne made and sold by growers direct to private customers. Certainly it is usually less good than the grandes marques, because it is made entirely from the grower's vineyards, whereas the finer champagnes are blends; but the price paid by the direct-mail customer will be Frs.18-21 per bottle, plus freight, whereas a grande marque non-vintage may be about Frs.30. It is significant that growers' champagne now represents more than 40 per cent. of the French home market.

However, during my recent visit to Champagne the hope was expressed by growers and merchants alike that some price stability had been reached. Owing to inflation, selling prices now look less high, while it is certain that in the coming vintage grape prices will come down. Frs.6 per kilo for the top quality is the figure suggested. Also the maximum yield per hectare will be reduced: it was 70 hl. per ha. last year, but is more likely to be 50 hl. this year.

So it will cost merchants less to replenish stocks, although as these have now reached a general level of 4½-5 years' supply, and more for some of the prestige houses, a sharp reduction is likely. Nevertheless merchants as well as growers wish to maintain demand for grapes at fair levels. It was a leading merchant, not a grower, who said to me: "We have not forgotten that in 1929 the price of grapes was Frs.10 a kilo; in 1933 it was 75 centimes."

Within France the market is relatively steady, and in March there was even an upturn in the merchants' business, while the growers' champagnes have advanced considerably this year—showing that the demand for champagne persists at prices considered reasonable by consumers. Within France there is little competition from the tank-made sparkling wines that have greatly increased their sales here in Britain in the last few years. The Champenois, rightly convinced that theirs is incomparably the best sparkling wine in the world, cannot quite understand why we, whom they regard as the most discriminating champagne drinkers in the world, can absorb so much of these third-rank sparklers (the second rank are the acceptable *méthode champenoise* wines such as Sparkling Saumur).

U.K. market

No doubt, inflation should make champagne seem less expensive here, although the steady decline in sterling offsets this advantage. The latest duty increases are thought to favour champagne in that they are much heavier on whisky, generally regarded as a rival for aperitif drinking. With the decline in Italian demand hastened by the imposition of 30 per cent. VAT on a bottle of champagne, and the disappointing U.S. market in the doldrums, Britain remains the key export country. Although no quick return to the 10m-bottle level of 1973 imports is expected, an upward turn in U.K. demand would provide Rheims and *Epernay* with the encouragement for which they are looking.

TV/Radio

† Indicates programme in black and white

BBC 1

9.38 a.m. For Schools, Colleges. 1.00 p.m. Eisteddfod Yr Urdd. 1.30 Ring-a-Ding. 1.40 Thomas. 1.45 News. 2.02 For Schools, Colleges. †3.58 Regional News (except London). 4.00 Play School. 4.25 Huckleberry Hound. 4.35 Jackanory. 4.50 Kim and Co. 5.15 Animal Magic. 5.40 Roobarb.

5.45 News.
†6.00 Nationwide.
6.50 The Little House on the Prairie.
7.40 Sykes.
8.10 Sutherland's Law.
9.00 A Referendum Campaign Broadcast on behalf of the National Referendum Campaign: Why you should vote No.
9.10 News.
9.35 A Question of Europe, from the Oxford Union: That this House would say "Yes" to Europe.
†11.50 Regional News.

All Regions as BBC-1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.50 Wales To-day. 6.50-7.10 Heddiw. 7.10-7.40 Meibion Y Magyar. 7.40-8.10 Dad's Army. †11.50 News of Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. †11.50 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. †11.50 Northern Ireland News Headlines.

England—6.00-6.50 p.m. †Look North (from Leeds, Manchester, Newcastle): †Midlands To-day (from Birmingham): †Look East (from Norwich): Points West (from Bristol): South To-day (from Southampton): †Spotlight South-West (from Plymouth).

BBC 2

†6.40 to 7.55 a.m. Open University.
11.00 Play School.
†11.25 to 11.50 and 5.00 to 6.40 p.m. Open University.
6.40 Model World.
†7.05 Open University.
7.30 Newsday.
7.45 The Story So Far . . .
8.10 The Tribal Eye.
9.00 A Referendum Campaign Broadcast on behalf of the National Referendum Campaign.
9.10 "Kes," starring David Bradley with Colin Welland.
11.00 News Extra.
11.30 Closedown: Jill Balcon reads "Meeting At Night," by Robert Browning.

LONDON

9.30 a.m. Schools Programmes. 12.00 Rainbow. 12.15 p.m. Matt and Gerry Ltd. †12.30 Wedding Veil. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Taste of the South. 2.00 Good Afternoon. 2.30 World In Action. 3.00 Dowager In Hot Pants. 3.55 Quick on the Draw. 4.25 The Flintstones. 4.50 How. 5.20 Shang A Lang.

5.50 News From ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The Tommy Cooper Hour.
8.00 World In Action Special, Part 1.
9.00 EEC Referendum broadcast by the National Referendum Campaign: The case for voting "No."
9.10 Edward The Seventh.
10.10 News.
10.40 World In Action Special, Part 2.
11.40 Checkmate.
12.05 a.m. Abbott of Westminster.

All ITV Regions as London except at the following times:—

ANGLIA

12.30 p.m. Easter Island. 1.25 Anglia News. 2.00 Houseparty. 3.00 Randall and Hopkirk (Deceased). 4.25 The Romper Room. 6.00 About Anglia. 11.40 Reflection

ATV MIDLANDS

12.30 p.m. Show It Again 1.20 Lunchtime Newsdesk. †3.00 The Saint. 4.25 The Partridge Family. 6.00 ATV Today, including Police Five. 7.00 Six Million Dollar Man. †11.40 Twilight Zone.

BORDER

12.30 p.m. Here Comes The Future. †1.25 Border News. 2.00 Houseparty. 4.25 The Woody Woodpecker Show. 6.00 Border News and Lookaround. 6.30 Who'll Win the Derby? 7.00 Mr and Mrs. 7.30 Love Thy Neighbour. †11.40 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 3.00 Riptide. 4.25 The Houndcats. 6.00 Report At Six. 9.00 Vision U.S.A. 11.40 Commentaires et Prévisions Météorologiques.

GRAMPIAN

12.30 p.m. Show It Again. 1.20 Grampian News Headlines 2.00 Houseparty 4.30 Cartoon Time. 6.00 Grampian News. 6.10 Love American Style. 6.30 Who'll Win the Derby? 7.00 The Jim MacLeod Show. 7.30 "F" Troop. 11.40 Orson Welles Great Mysteries. 12.10 a.m. Evening Prayers.

GRANADA

12.30 p.m. The Smith Family. 1.20 This Is Your Right. 3.00 Shannon's Mob. 4.25 Walk Till Your Father Gets Home. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 University Challenge. 7.05 The Six Million Dollar Man. 11.40 Murder Mystery.

HTV

12.30 p.m. The Best of Focus. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.30 Bygones. 3.00 Danger Man. 4.25 The Osmonds. 5.20 Help. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Who'll Win the Derby? 6.35 The Protectors. 7.00 Winner Takes All. 7.30 Love Thy Neighbour.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.35 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd. 7.00-7.30 Sale of the Century.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

12.30 p.m. Adam 12. 1.25 Road and Weather Report. 2.00 Housecall. 3.00 Jason King. 4.25 Elephant Boy. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland Today. 6.30 University Challenge.

SOUTHERN

12.30 p.m. The Clam Train. 1.20 Southern News. 2.00 Houseparty. 3.00 Department S. 4.25 The Flintstones. 5.20 Dodo. 5.25 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 11.40 The Adventurer. 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 12.30 p.m. Here Comes the Future. 2.00 Houseparty. 3.00 Department S. 4.25 Castaway. 6.00 Today at Six. 6.30 Who'll Win the Derby? 7.00 New Who Do You Do? 7.30 Love Thy Neighbour. 11.40 Late News Extra. 11.45 The Things We Say.

ULSTER

12.30 p.m. Merrie Melodies. 1.20 Ulster News Headlines. 2.00 Houseparty. 4.23 Ulster News Headlines. 4.25 Woody Woodpecker. 6.00 Summer Reports.

WESTWARD

12.15 p.m. Gus Honeybun's Birthdays. 12.30 Show It Again. 1.20 Westward News Headlines. 3.00 Riptide. 4.25 The Houndcats. 6.00 Westward Diary. 11.40 Westward Late News. 11.45 Faith For Life.

YORKSHIRE

12.30 p.m. Here Comes the Future. 1.20 Calendar News. 3.00 Department "S". 4.25 Castaway. 6.00 Calendar. 6.30 Who'll Win the Derby? 7.00 New Who Do You Do? 7.30 Love Thy Neighbour. 11.40 You and Your Golf.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including Top 30 discs and at 12.30 p.m. Newsbeat. 2.02 David Hamilton; also on VHF (S). 5.00 Newsbeat. 5.15 Alan Freeman: Youth Club Call. 7.00 As Radio 2 including at 9.02 The Impresarios. 10.02 Colin Berry.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S). 6.15 Pause for Thought 7.02 Terry Wogan. (S). 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jean Challis (S). 1.50 Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 p.m. David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland). 2.45 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Cricket Scoreboard. 7.32 Sing Something Simple (S). 8.02 The Musical World of Frank Chacksfield (S). 9.02-10.15 1,500m only (also 202m Scotland) Chris Flanagan v Johnny Frankham. 9.02 247m and VHF only The Impresarios (S). 10.02 247m and VHF only until 10.15 Colin Berry (S) with Music Through Midnight including 12.00 News 12.33 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

: Medium Wave only

7.00 a.m. News. 7.05 Overture: Handel, Brahms (S). 8.00 News. 8.05 Morning Concert: Lully, Bizet, Roussel (S). 9.00 News. 9.05 This Week's Composers: Balakirev and Borodin (S). 10.00 Italian Songs (S). 10.30 Academy of the BBC (S). 11.25 Mendelssohn's Piano Music (S). 12.00 Midday Prom, part 1: Gluck, Beethoven (S). 1.00 p.m. News. 1.05 The Arts Worldwide. 1.20 Concert, part 2: Beethoven (S). 2.05 Melody (S). 3.00 Music in our Time (S). 4.10 Brahms Sonatas (S). 4.55 Jazz To-day (S). 5.25 Great Pianists, part 2: Alfred Cortot. 15.45 Homeward Bound. 16.05 News. 16.10 Homeward Bound (continued). 16.30 Study On 3. 7.30 Mogens Ellegaard plays virtuoso accordian music (S). 8.00 Chopin and Bruckner from the Royal Festival Hall London, part 1: Chopin (S). 8.40 Jacob Bronowski in conversation with George Steedman. 9.00 Concert, part 2: Bruckner (S). 10.00 The Green Island, by Gwyn Jones. 11.00 Historic Performance on Record. 11.25 News.

Radio 3 VHF only—5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk. 8.35 Today's Papers. 8.50 A Referendum Campaign Broadcast on behalf of Britain in Europe: Why you should vote "Yes." 9.00 News. 9.05 Tuesday Call (from 9.20). 110.00 News. 110.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 111.00 News. 111.05 Celebration. *11.45 The Wit and Wisdom of . . .* Malcolm Muggeridge. 12.00 News. 12.02 p.m. You And Yours. 12.27 Dad's Army. 112.55 Weather, programme news VHF (except London and SE), Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) including 2.00-2.02 News. 12.45 Listen With Mother. 3.00 News. 3.05 The Charterhouse of Parma. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. 15.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 My Music! (S). 6.45 The Archers. 7.00 News Desk. 7.30 Kaleidoscope. 8.00 Chopin and Bruckner, part 1 (as Radio 3) (S). 8.40 Jacob Bronowski (as Radio 3). 9.00 Concert, part 2 (as Radio 3) (S). 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight: Radio 4's International Business Report; Market Trends. 11.15 Pop Goes Pygmalion. 11.30 News.

For Schools: VHF only—9.20 a.m.-11.40 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.30 Downtown. 11.02 In Town. 12.03 p.m. Call In—1. 12.34 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Lobby. 8.30 All That Jazz. 10.03 Mike Sparrow's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting

261m and 97.3 VHF

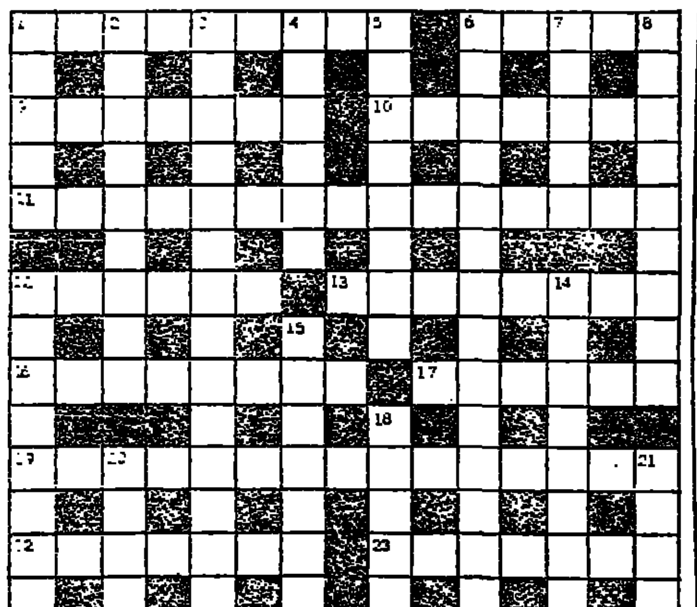
6.00 a.m. "A.M.": news, interviews, traffic and travel news, plus sport, with Douglas Cameron and Tommy Tucker. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 London Matters. 9.00 Love in London. 1.30-6.00 a.m. Nightwatch.

Capital Radio

194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel with music, features, advice and swop-shop. 12.00 Cash on Delivery with Tommy Vance and Music. 3.00 p.m. Roger Scott with Music. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,793



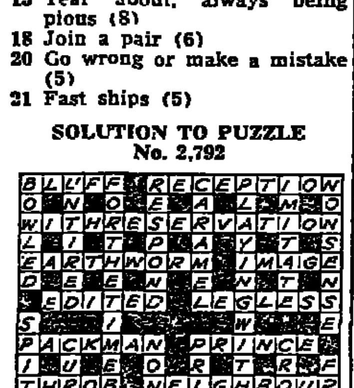
ACROSS

1 The way nevertheless a child may become an author (9)
6 Died in prison making sponge (5)
9 Leaves close to the ground as a favour (7)
10 Property manager is audibly a model prisoner (7)
11 It is despicable under company name to entice (7, 8)
12 Tools for those who work steadily (6)
13 An unmissable target in the farmyard (4-4)
16 Wood lubricated outside as some heaters are (3-5)
17 Walk south with goblin (6)
19 Gets ready and preens for a sleep perhaps (8, 7)
22 Moulding made from grain and very cold water (7)
23 A contract I'm returning in writing (7)
24 Wander but remain about right (5)
25 Discussion concerning remedies? (9)

DOWN

1 A hardy brush in the undergrowth? (5)
2 Of necessity it's aromatic (9)
3 Remarkably providing surplus usually (15)
4 Contemplate an article and be angry (6)
5 One of a people or race that could be grand (8)
6 What rate-fixers are doing—being important the company way (8, 3, 4)
7 It's the baseline—*that's a fact* (5)
8 The elite, or nearly all concerned with voting (9)
12 Searches for chances of success (9)
14 Being biased and having fallen over (2, 3, 4)
15 Tear about, always being pious (8)
18 Join a pair (6)
20 Go wrong or make a mistake (5)
21 Fast ships (5)

SOLUTION TO PUZZLE No. 2,792



CINEMAS ARE CONTINUED ON PAGE 10

Florence

Dallapiccola

by WILLIAM WEAVER

Luigi Dallapiccola, the Italian composer who died three months ago at the age of 71, was long associated with the Maggio musicale, which perfomed a number of his works for the first time, including his operas *Volo di notte* during the war and *Il prigioniero* after the war's end. But at the concerts and performances of the Maggio, Dallapiccola was also a physical presence. And, this year, he is sadly missed. It seems strange not to encounter that lively little figure, the jutting chin, the jaunty cigarette-holder, surrounded by friends, fellow-musicians, young admirers and students, caught up in the spell of his talk, witty, sometime mordant, always humane.

The administration of the Maggio, in collaboration with Florence's Soprintenza of galleries and monuments, offered a simple but ideal tribute to the composer last Sunday morning: a little recital of some of his chamber works, performed by artists who had been long and deeply associated with him. The recital was held in the Pitti Palace, in the handsome Sala Bianca where, in 1924, Schönberg conducted a historic performance of *Pierrot lunaire*, with the young Dallapiccola (and the moribund Puccini) in the audience. The Pitti is only a short walk from Dallapiccola's house in Via Romana, familiar to musical visitors to Florence from all over the world.

Appropriately, the opening commemoratory remarks were made not by a musician, but by the Florentine writer Alessandro Bonsanti. For Dallapiccola was also a man of letters: an elegant writer and a voracious reader, well-schooled (his father was a classics professor) and vastly curious. His literary tastes were illustrated, in the recital, by his exquisite settings of four poems by Machado, memorably sung by Magda Laszlò, lovely as ever and in beautiful, crystalline voice.

The brief programme also included *Tartiniana No. 2*, played by the violinist Sandro Materassi, who for decades performed regularly with the composer at the piano (Antonio Bacchelli accompanied, matching Materassi's lyrical performance). The other work played was the *Chaconne, Intermezzo and Adagio* (1945) for unaccompanied 'cello. Amedeo Baldovino was understandably moving, particularly in the lyrical, elegiac final section.

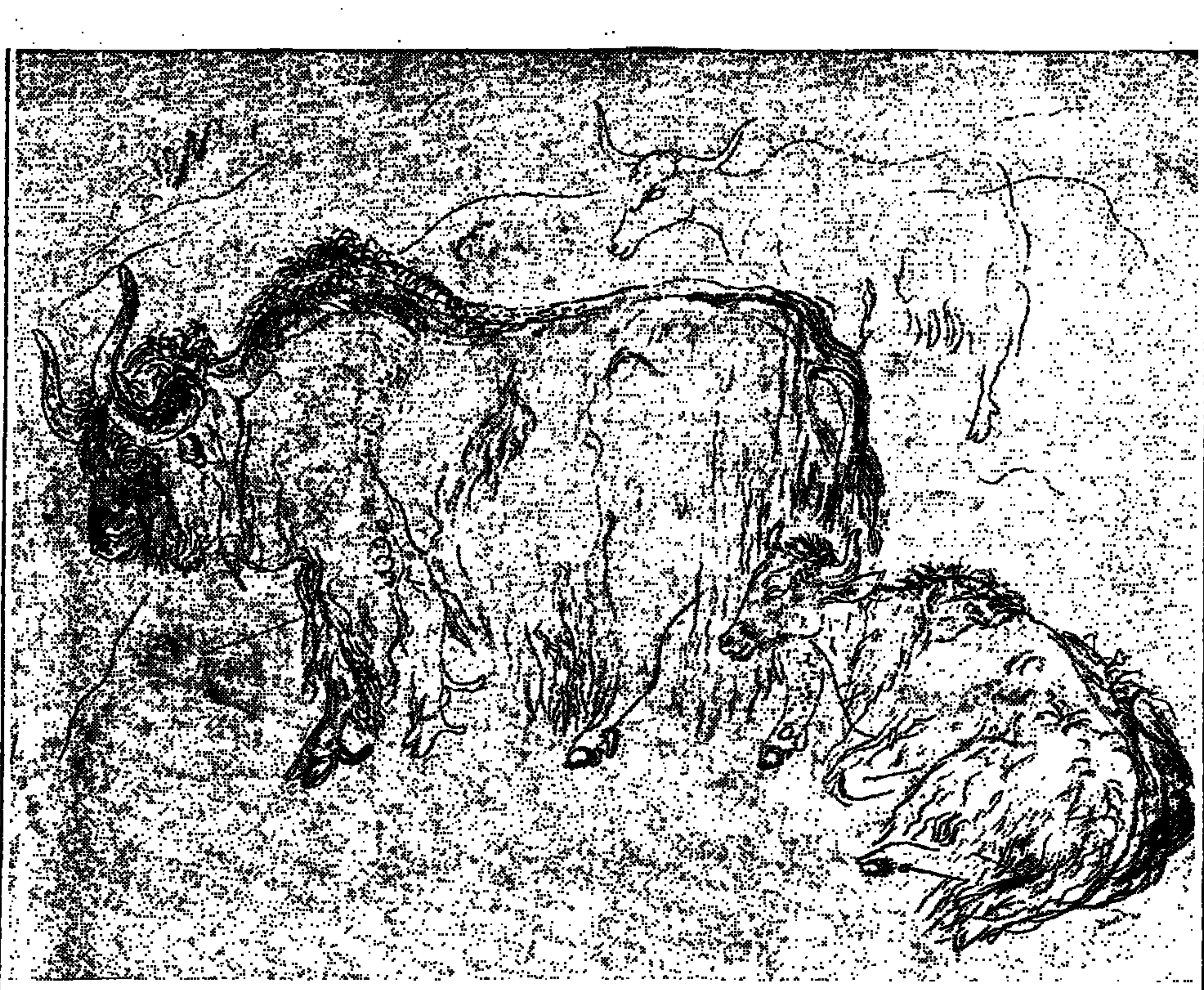
The recital served as prologue to the inauguration of a Dallapiccola exhibition, set up in the nearby Meridiana wing of the Pitti. The documents of the composer's life and work are arranged with imagination and intelligence. In addition to autographs, scores and letters, old photographs, and souvenirs, there are also a number of paintings by Florentine artists like Casorati and Vagnetti, as well as inscribed first editions—from Dallapiccola's library—by writers like Eungenio Montale and Carlo Emilio Gadda, who lived in Florence in the between-the-wars period, when the city was a focus of non-official and anti-Fascist Italian culture.

Letters from Berg, Webern, Schönberg, Stravinsky bear witness to Dallapiccola's international position (a position calculated to exacerbate the hostility of the national Regime), and—at the end—honorary degrees, awards, medals indicate the fame that, after long years of struggle, was finally and deservedly his.

From Florence, the exhibit will travel to La Scala, Perugia, Siena, a worthy portrait of this most Italian and least provincial of composers.

Corinne McCarthy

Gregory Munroe and Mona Hammond in 'Death of a Black Man,' which opened last night at the Hampstead Theatre Club



David Jones: The old animal from Tibet (pencil and watercolour, 1930)

Anthony D'Offay

David Jones

by WILLIAM PACKER

David Jones was an obscure man, and as obscure and difficult an artist, one of those whose reputations live more by hearsay and report than through any direct experience of their work: his was likely to grow more difficult in the telling. He was an important poet, but his work is seldom read, often left half-read even by admirers, and markedly absent from the new Oxford anthology. And those who do find "In Parenthesis" or "The anathemata" impenetrable turn with relief to the drawings, the paintings and the inscriptions, leaving their opinions in the safe hands of such distinguished apologists as Eliot and Auden. His graphic work has such superficial charm, however, so delicate and precious is it, so perfectly attuned to educated taste, that those who know nothing of the full scope of his activities are inclined to look no further, dismissing it as the work of just another mild and unremarkable English eccentric.

But the more one knows of Jones' work, the more one sees. The threads of image, symbol and myth are drawn together into one fabric, the painting and poetry entirely interdependent, the work all of a piece. And at length, if followed with any degree of perseverence, each thread leads to the heart of the matter, which he called "The Matter of Britain."

He took for his subject the history and culture of Britain, pressing it into one lively and particular entity by which to inform the present with the sense and experience of our collective past, no matter how remote. He felt especially drawn towards Celtic antiquity, Roman and post-Roman Britain, the time of Arthur. He linked the soldier on the Western Front to the Arthurian trooper and the legionary posted on the Wall, as they might be the same man, with but one life to give and his duty to do. The essential unity of life, the sense of the past as part of ourselves, informs everything he did: ancient places, language crystallising over generations, artefacts used and put aside, the old rituals by which we try to define our place in the world and our relation to God, all are steeped in it, marking off points along the continuum that stops momentarily with us.

And so his pictures and inscriptions reflect these preoccupations. The ordinary domestic round takes on a magical and mysterious air: the glass of flowers becomes a chalice from which grows a tree, its branches full of birds, the cattle in the fields beyond perhaps mythical and sacred beasts; the Annunciation happens among the Welsh hills. The Latin and Welsh texts present and protect their sense, distinct beneath the clear and polished surface of the prose. Even the less overtly mystical works are invested with a densely symbolic aura, the view of the sea, the printing press, the bowls and jugs on the table, all becoming objects of veneration and celebration.

The drawings in themselves are exquisite, and, for their time, remarkably close to other artists more readily acknowledged for their modernism. There are palpable affinities, in their directness, simplicity and aestheticism, to that of Wood and Nicholson, in their gentle surrealism to that of Paul Nash, and there are flashes of the virtuosity of Spencer in some of the portraits. And his close association with Eric Gill left its mark in the clarity of the early drawings and in all the inscriptions. Jones' work, however, seems always freer, more relaxed and uninhibited, with no sign of Gill's repressed sexuality. His freedom and command were such that he was able to break whichever rules he chose, putting harsh emphases where one would *least* expect them, giving an edge to the sweetness. And yet the daffodil, with its trumpet lined heavily in ink remains as crisp and delicate as one could wish.

Jones was a great draughtsman, and a true original, knowing exactly when to be innocent or sophisticated, but never arch nor fey. His work stands in celebration of a profound, precise and scholarly sensibility, and an artist's vision. But he was never influential, the master of no school, and for many people, artists and critics and collectors alike, he remained a peripheral and insignificant figure. His death last autumn passed largely unremarked. However, the process of re-assessment and recognition had begun, quietly but surely. The exhibition organised by Anthony d'Offay by permission of Jones' executors, must give it momentum. It is a small exhibition of water-colours and drawings, but it contains several major works; a modest but fitting tribute, which remains on view until June 20.

Hi-ho, the glamorous life

by B. A. YOUNG

Lilian Baylis by Richard Findlater. Allen Lane, £6.00. 320 pages

A Little Love and Good Company by Cathleen Nesbitt. Faber, £4.25. 263 pages.

Jack by Jack Warner. W. H. Allen, £3.50. 266 pages.

Too often the biographies of theatrical people consist only of romanticised lists of their engagements and their marriages. Lilian Baylis, who brought the Vic and the Wells to the point of excellence they reached before their offspring, the National Theatre, the Royal Ballet, the English National Opera, outgrew them and consigned them to the second eleven, provides an exception in this as she did in everything else she touched. Richard Findlater's able book about her tells, with abundant help from the survivors of the Lady's 25 years at the Vic, exactly what she did. What he cannot tell, nor can anyone else, is how she did it.

He begins with a chapter on Miss Baylis's Aunt Emmie, Emma Cons. (Lilian's mother, Emma's sister, reverted to the original German spelling Konss.) Lilian Baylis began as manager at Miss Cons's "recreation" in 1898. The place was already a miracle, a temperance music hall in the roughest part of London. In the 25 years she stayed there, Lillian Baylis, with energy, determination and her "private line to God," made it an indispensable treasure-house of classical drama and took time off to restore Sadler's Wells for the opera that had been her first love and the ballet that was her last.

In a way her life is a story of failure. The expensive and elaborate productions of the National Theatre now at the Vic, the expensive and chic work of the Royal Ballet—these are not what she or Emma Cons was working for; opera in English at sub-Covent Garden prices at the Coliseum is perhaps nearer to what would satisfy her. If she were restored to us, to lure the workers from their tellies with the classics, her place would be at the Cockpit or the Oval or the Half Moon.

Cathleen Nesbitt's autobiography is on the conventional lines but is far above the average quality not only because of the interesting people who were her friends but because of the sharp observation, the sensitivity and the grace with which she writes of them. A girl whose first theatre work in London was under Harley Granville-Barker, and whose first serious affair was with Rupert Brooke, could hardly fail to become the superlative actress Miss Nesbitt has become. Engagements there are, fine ones, and a marriage too: but besides telling us of these things Miss Nesbitt has so much to say of the interesting people who found her company worth while—Eddie Marsh, George Moore, Cecil Beaton, the pick of the theatrical world. I felt myself in the presence of a really superior mind; if Miss Nesbitt had decided not to be an actress but something else, even perhaps just a wife and mother, she would still have been a profoundly interesting person.

Jack Warner is very much the total pro. He began as a motor engineer with the nostalgic firm of Sizaire-Berwick; he was a racing driver for a time, though not with Sizaires, who ended a dicey career by sticking their radiators on the fronts of Austins. He entered the professional theatre by way of cabaret and broadcasting. He has played Dixon in *Dixon of Dock Green* for the past 20 years, and his memories consist mostly of whom he has played with in that programme and other, less memorable, ones. His book is strictly for those who collect names like cigarette-cards; but Mr. Warner, who ends up with a chapter called "Reflections" that suggests Sergeant Dixon's weekly post-programme moralising, is clearly a very nice chap.

Hydrofoil to Royal Ballet in Battersea Park

During their season in the "Big Top" in Battersea Park, the Royal Ballet have arranged for a special Hydrofoil service to transport members of the audience up the Thames to Battersea Park. The Russian-built Hydrofoil owned by Speed Hydrofoils Ltd., will leave Greenwich at 18.35 each evening, calling at Tower Pier at 18.50, Westminster Pier at 19.00 and arrriving at Battersea Pier at approximately 19.15.

The cost will be 50p from Greenwich and 25p from Tower Pier and Westminster Pier. The Hydrofoil holds 100 passengers and is capable of a top speed of 45 miles per hour.

Also every evening there will be a special after-show bus service, calling at Victoria, Charing Cross, Kings Cross and Euston. There will be a flat fare of 10p per person.

Oberhausen Short Film Festival

by RONALD HOLLOWAY

Overlapping the Cannes Film Festival by a few days, the Oberhausen Short Film Festival is off in search of a new image on its 21st birthday. Although still "the Mecca of the short film" (to coin Derek Hill's phrase), Oberhausen's motto of "Way to the Neighbour" has decreased in importance in recent years as Willy Brandt's Ostpolitik increased: today it is perhaps West Berlin that truly serves as the cultural crossroads between East and West. Still, this rather unique festival, tucked away in the industrial Ruhrland of western Germany, reigns supreme in the tradition of social documentary, and by placing renewed emphasis on the other two dominant disciplines of the short film—animation and experiment—the festival is far more alive than most expected.

The only drawback is the overall decline in the importance and production of the short film. This was particularly evident in the weak showing of East European countries in the national and thematic arrangement of 12 competition programmes; in the past same directors from Yugoslavia, Poland and Hungary rounded out their personal visions and philosophies in the documentary, but this year only Yugoslavia presented a strong and varied national programme (almost an embarrassment in contrast with the excitement of the '60s). And as the short film declined, the buyers faded into the sunset too: one reason, according to a veteran New York distributor still on the scene, is that "animation is dead"—that is, the market for the bread-and-butter of film libraries is no longer there. This seems to indicate that Oberhausen in the future will have to broaden its horizon of interest in the "engaged" film to include all sizes, shapes and formats.

The trend was marked by the favourite of nearly every jury: the hour-long reportage-documentary, *A Strike Is Not a Sunday School*, directed by the Swiss team Hans and Nina Stürm and Mathias Knauer; it deals with a forbidden strike at a piano factory, but in such an analytical manner of singling out the important issues through interviews that the film invites reflection and discussion afterwards. In former days the film would have been too long for Oberhausen competition, but in this case it brought depth and meaning to related documentaries and podium discussions.

In practically the same category, the British documentary on the 1974 Miners' Strike, *The Miner's Film*, was also made by "a Collective" and conceived as a half-hour introduction to a discussion on the subject. Both of these films give ample evidence that the documentary of social change, drawing its inspiration from headline events, has found significant outlets in adult, or continuing, education circles.

Two films on construction workers made forceful comments through portrait images of an unconventional nature. G. J. Paulose's *A Day With the Builders* (India) disturbs in the Year of the Woman with its rhythmic close-ups of women repeatedly delivering bricks on their heads in a human assembly line at a construction site. By contrast, Christo Kovatschev's *Builders* (Bulgaria) goes beyond the surface of work on a power station to study the construction worker as an emotionally complicated human being, the exact opposite of earlier portraits by this same director in a Socialist Realism vein. The latter was a bone of contention among Marxist theorists and prompted attacks from the far left documentarists, who support the efficacy of propaganda in documentary.

My own favourites were the personally engaged documentaries that struck abstract, universal chords of commitment to the human condition in our rather lethargic, apathetic and pessimistic times. The Gerhard Scheuman and Walter Heynowski documentary, *Psalm 18* (East Germany) transcended ideology in its cross-cutting of a religious service attended by the Chilean generals in the Santiago cathedral with the raised arms of political prisoners, and to end on a religious note (Psalm 18, 42-43) is a conspicuous first in East German cinema.

Frans Bromet's *Three-Border-Point* (Netherlands) has a freshness about it that puts it a good step beyond its place in the catch-all programme of "Fascism Yesterday and Today": the humour of a Jewish father persuaded by his non-Jewish relatives to put a foot back into a Germany he swore in the '30s never to visit again has a tongue-in-cheek quality, a vital wit that adds a final notch to Oberhausen's friendly "Way to the Neighbour" campaign. The two films ran back-to-back at the festival.

Human interest films were abundant, far too many to cite in a short article, but solid evidence of the integrity of the short film to-day was the presence of four documentaries on handicapped people from different countries, each made with laudatory emotional involvement. Along the same lines was Piotr Andriejev's *Discourse* (Poland), a brilliant portrait of a young preadolescent girl's escape into her fantasies (another sign of cinematic change in East Europe). Vuk Babic's *Memorial For a Serbian Satirist* (Yugoslavia) uses the occasion of the 100th anniversary of a Serbian writer's birth to poke fun at the formality of such ceremonies. Another Yugoslav entry, Djordje Dedjanski's *The Train Station*, has that quiet, pure, attentive realism-in-detail that characterises the best of the British documentary school: its subject is a sleepy railway station in Vojvodinia and about a train that pulls in and stops in a burst of enveloping steam.

Animation is a strong suit in Yugoslavia, and the Zagreb Studio was well represented by Nedeljko Dragic's *Diary*, a fast-paced impressionistic view of New York à la Saul Steinberg, and Pavao Stalter's *The Seven Little Flames*, a beautifully painted children's film based on a Slavic medieval legend and done in the style of manuscript illuminations. Similar in its reference to art history, P. Bokanovski's *Dejeuner du Matin* (France) envelopes the world of the surrealists and expressionists in its subtle placement of dream objects amid colour and shadow. An American entry, Mary Beams's *Seed Reel No. 1*, brought down the house as one of the most delightful spoofs of our porno fixations I have yet seen.

Lacking this year was a representative selection of experimental films. Only Robert Breer's *Fuji* (U.S.), drawings inspired by a train ride to Fujiyama, could rightly qualify for this category, although it's officially listed as an animation film. Other entries nodded in the general direction of experiment, but this is certainly an area where more attention should be given to recent trends in British and American cinema.

Clocks at Algernon Asprey's

Algernon Asprey's, where next week's exhibition of antique and decorative clocks will be held, is in Bruton Street, not in Bond Street as suggested in yesterday's paper. The exhibition opens on Monday: the address is 27, Bruton Street, W.1.

Exhibition of T'ang Buddhist Painting

A selection from the group of T'ang Buddhist Paintings, now in the British Museum will be on view in Oriental Gallery II from June 20 to October 5. The collection was acquired by Sir Aurel Stein in 1906 from the sealed library of the Caves of the Thousand Buddhas at Tunhuang in China, 1,000 miles west of the capital of the T'ang dynasty (618-906 AD) along the Silk Route.

The paintings provide a fascinating array of the use of different formats and media. There are many paintings in the form of banners, some complete with their original streamers and pennants, others so long that they must have been hung from the top of the cliffs in which the cave temples are cut. While the majority are in colours on silk some are sketches in ink on paper. Pricked stencils will be exhibited which were used to make numerous copies of the same image, for this multiplication of the image was believed to confer additional merit on their donors.

WORLD TRADE NEWS

Sweden urged to ignore U.K. market

STOCKHOLM, June 2.

A DIRECTOR of Sweden's confederation of industry said to-day that Sweden exported too much to countries with stagnant economies, such as Britain.

Mr. Wilhelm Paues, writing in the Stockholm newspaper Svenska Dagbladet, urged Swedish industry instead to concentrate its attention on stepping up exports to West Germany, France and Italy. At present, Britain is Sweden's best customer, consuming 17.4 per cent. of total Swedish exports worth about £931m. last year.

"It is important to take care in dealing with countries where investments are low and private consumption is high," Mr. Paues wrote. "Such is the case with Britain, which has an investment level of 11.9 per cent. and consumption of 16.1 per cent."

In a separate article in the same newspaper, Mr. Paues proposed that some form of modern Marshall Plan should be devised to help Britain achieve an acceptable investment level. "The rest of Europe—perhaps all OECD countries—must help the British to achieve their second industrial revolution," he said.

Mr. Paues estimated that $17bn.-worth of investment would be needed every year for 10 years if the British economy was to get back on its feet.

Reuter

Japan increases car imports

BY PETER DUMINY

TOKYO, June 2.

CAR IMPORTS into Japan, as well as domestic car sales, are now signalling business recovery. January to April figures show imports of passenger vehicles 14 per cent. higher than a year ago, reaching a record annual rate of 55,386. Domestic registrations (including commercial vehicles) were running 21 per cent. higher, at an anual rate of 4.17m. units, in the same period.

However, both sets of figures are being interpreted cautiously by the motor industry and by Government forecasters. Regarding imports, it is pointed out that registrations (that is retail sales) of foreign models have been virtually the same as a year ago. They were 40,770 at an annual rate in January-April.

It is assumed that dealers have been importing a larger number of cars in the hope that the market will expand this year. Many of these vehicles are now on the quay at Yokohama and other ports and it remains to be seen how quickly they will be absorbed.

Another factor is that importers have been under pressure from their principals to take more stock this year, whereas last year the market tended to be undersupplied. Deliveries of British vehicles rose 25 per cent to 1,450. Those from Germany 19.6 per cent. (up at 25,960), and arrivals from Italy were even more sharply higher at 1,900 units (annual rates throughout).

The domestic industry picture is that production increased marginally (by 1.2 per cent.) in January-April, to an annual rate of 6.45m. More cars came off the assembly lines, but fewer commercial vehicles. Exports were 6 per cent. lower at 2.3m. on the same basis. They are not expected to show much of a trend in the short run.

The 21 per cent. increase in domestic registrations is the firmest evidence of a market turnround. However it is thought this may have involved a large element of stock clearance at bargain prices. Solid recovery has yet to be confirmed, according to industry sources.

TRAINING CENTRE

SONY Corporation announced a $25m. deal with the Iranian Imperial Social Services Organisation for the establishment of an electronics training centre. The deal covers the supply of audio-visual equipment, production of training programmes and provision of technical aid and other related services.

Trade talks with East Germany

By David Lascelles, East European Correspondent

A HIGH level East German trade delegation led by Dr. Gerhard Bell, State Secretary in the Ministry of Foreign Trade, arrives in Britain to-day for five days of talks with British trade officials and industrialists. The visit is widely expected to lead to greater trade with one of Britain's most promising Comecon partners.

Dr. Bell, accompanied by the heads of trade agencies and factory groups, will meet the DoT, the CBI and several key industrial firms.

Last year Britain's trade with East Germany totalled £84m., more than double the 1973 figure. But despite predictions that this rate could continue, the performance so far this year has been disappointing. In the first four months of 1975 exchanges totalled only £21.7m. against £27m. last year.

However, a recent London Chamber mission to East Germany led by Brian Townsend, director of Kleinwort Benson, says that the Berlin authorities are keen to expand trade further.

There were strong possibilities for co-operation between the two countries in third markets as well as in direct trade, the mission reported.

Japan 'will not curb' TV tube exports to U.K.

TOKYO, June 2.

JAPAN HAS turned down a British Government request calling for self-imposed curbs on exports to Britain of cathode-ray tubes for colour television receivers. A spokesman for the Ministry of International Trade and Industry said to-day.

The spokesman said that Japan's exports of tubes to Britain in the first quarter of this year dropped about 50 per cent. from the level of one year ago.

The British industry and trade ministries, investigating a complaint from British electronics firms that Japanese tubes had been "dumped" on the British market, made the request to the Japanese Government. The spokesman, denying the dumping allegation, said that it had not been made clear how the Japanese tube exports had injured the British industry.

Reuter

Record Syrian trade level

BY LOUIS FARES

DAMASCUS, June 2.

THE YEAR 1974 has witnessed an "unprecedented activity." Anis Chaarani, director general of the customs authority, said here.

"Our imports in 1974 reached $1.4bn. as against $0.6bn. in 1973," Mr. Chaarani said. "As for our exports, they reached $0.8bn. in 1974 as against $0.4bn. in 1973," he continued. The value of transit goods through Syria reached $1.9bn. in 1974 compared to $1.1bn. in 1973. Mr. Chaarani indicated that the state earnings from customs duties amounted to $30m. compared to $20m. in 1973.

'Incredible export' choice

A BRITISH company which exports tom-toms to Nigeria, bird whistles to the Canary Islands and maracas to Caracas, has won the Vladivar Vodka Incredible Export Award—beating another English firm, which sells petrol to the Arab States, into second place.

The Premier Drum Company of Leicester currently exports about 60 per cent. of its products. There are tom-toms to Nigeria (four shipments in 1974 including complete kits for the Nigerian police band, and the country's top band—Dr. Victor Olivia and his All Star Orchestra). They also send a large selection of Latin American instruments—including guiros, claves and maracas—to various destinations in South America.

Second prize winner was Permaflex of Stoke on Trent. Each year they export in the region of £50,000 worth of petrol and butane gas packs and cans to the Arab States.

Other entries included two firms exporting sand to the Arabs," said Dan Hillman, editor of Export Times, which organised the competition with G. and J. Greenall, distillers of Vladivar Vodka. "And there was the Swindon company who have sold snowploughs in Dubai, the Merseyside exporters of chow mein to Hong Kong, a Manchester manufacturer who has sold an artificial ski slope to Finland, the Workington firm who export ice lollies to Iceland, one selling naughty undies to Scandinavia, and another selling hot air machines to Iran."

U.S. ports reach container handling pact

NEW YORK, June 2.

EMPLOYERS in six North Atlantic U.S. ports reached agreement with a dock workers union, ending a two-month dispute over the handling of van-sized containers.

The "supplemental" agreement on container handling rules is largely unchanged from the one prevailing since last June. It applies in Boston, Providence, New York, Philadelphia, Baltimore and Hampton Roads, Virginia. The International Longshoremen's Association (ILA), the union, suspended these rules on April 28, alleging some shippers were not following them.

BARCLAYS GRANTS EKOFISK LOAN

BARCLAYS Bank International Ltd. said yesterday that it had signed a £5m. loan agreement with Norpipe A/S and the Phillips Norway group.

The loan is to finance the further purchase of British equipment and services connected with the building of an oil pipeline to Teesside, and a gas pipeline to Emden, Germany from the Ekofisk area fields.

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AMERICAN NEWS

Emminger sees no quick monetary reform

BY ANTHONY HARRIS

There is no chance of any significant progress towards international monetary reform in "the near or even the forseeable future" Dr. Otmar Emminger, vice-president of the Bundesbank, told a financial conference in Chicago yesterday.

The control of inflation and of international payments imbalances must rest on national policies, not international reform: the restoration of the internal stability of the dolar would make the biggest single contribution to international stability.

However, the existence of the dollar overhang and of the Eurodollar market, and the heavy influence of dollar capital flows, made it inevitable that floating must remain the basic monetary regime for the foreseeable future. The joint European float might persist and be enlarged, as economic policies and inflation rates converged, but the dollar would continue to float.

"The Managing Director of the IMF recently reminded us that collective control of international liquidity has always been one of the major goals of international monetary reform, since this is one of the conditions for successfully fighting world-wide inflation," Dr. Emminger said.

"True — but I don't quite see how we can gai neffective control over the various sources of international reserve creation, such as Euromarket, voluntary accumulation of dollar and other currency reserves by OPEC countries, and so on," he added.

He did not believe that the expected international agreement on the legislation of floating, the international role of gold, and the enlargement and redistribution of IMF quotas would have much practical significance.

Dr. Emminger said that floating had, in his view, been a success: crises had been avoided despite enormous strains, and it had become possible for countries to regain control of their own domestic money supply. Further, since depreciation was highly unpopular at a time of inflation, there had been no real danger of competitive depreciation: on the contrary, some countries had used market intervention and borrowing to maintain artificially high exchange rates.

But not all countries had used floating as an opportunity for stabilisation. In remarks openly critical—by implication, of Britain and the U.S.—he said that petrodollar reflows had made it "perhaps too easy" for some countries to maintain large deficits.

Editorial Comment Page 18

New York rescue still not sure

BY JAY PALMER

NEW YORK, June 2

GOVERNOR Hugh Carey's eleventh hour plan to pull New York City back from the brink *of financial insolvency may have* run into serious snags. With less than two weeks to go before the city runs out of cash to meet its debt an dpayroll obligations, there is a real possobility that New York State may itself be also unable to raise the necessary rescue funds.

At the same time, it is becoming increasingly evident that the city's problems do not end with its immediate cash-flow crisis and its prospective 1975-76 fiscal year budget deficit of $641m. According to the New York Times this morning, a confidential city memorandum forecasts that the 1975-76 budget deficit will more than double to over *$1.3bn.*

Under Governor Carey's plan, the city's immediate cash shortage would have been averted by the state setting up a special new agency to buy all of the city's $6bn. worth of short-term debt and converting this, under its name, to longer-term bonds.

Although this scheme would clearly do much to aid the city since the outgoings on interest and capital loan repayments would be much less, doubts remain whether not the city administration would be prepared to accept conditions involving abrogation of financial powers. Mayor Beame commented that there could be "no compromise with home rule"—a statement that many interpret as an effectively denial of the plan's conditions.

However, it is now evident that the steady deterioration in the city's financial position has affected the State's ability to raise money market debt money at reasonable costs. While interest rates to other borrowers have declined in recent weeks, the State was forced to increase the offered interest rate on new short-term notes issued last week.

Doctors strike over insurance costs

BY GUY DE JONQUIERES

WASHINGTON, June 2.

THE SMOULDERING controversy over the high cost of medical malpractice insurance is now leading to curtailments in medical care in a growing number of American states.

In New York, doctors and surgeons have just begun cutting back on non-emergency services in protest against legislation recently approved by Governor Hugh Carey which was supposed to alleviate the problem. The go-*slow has had only a marginal* impact so far, but it is feared that it may have serious consequences by later this month.

In California, where a number of physicians in several cities have been on strike for the past month, a compromise plan to ensure their return to work seems in danger of collapsing unless the State legislature acts soon to meet their demands for an improved insurance scheme. In Doylestown, Pennsylvania, four of the six county hospitals have been hit by a slowdown by doctors and surgeons, while in Rhode Island calls for a protest strike are *spreading* despite the establishment by Governor Philip Noel of a high-powered commission to investigate the problem.

The doctors' complaints stem essentially from the sharp rise in premiums occasioned by the rapid growth of successful malpractice lawsuits brought in recent years. In New York State, for instance, total premiums charged by one major insurer have soared to around $40m. a year from $5m. ten years ago, while payments against policies have leapt to $15m. from $3.5m. in the same period.

In some instances, insurers have sought to raise their average premium rates by as much as 300 per cent. in one stroke. When such demands have been rejected by state regulatory authorities, insurance companies have simply withdrawn from writing any new malpractice policies, leaving some doctors uncovered and therefore unable to practice.

CIA cleared of 'big illegalities'

WASHINGTON, June 2.

VICE PRESIDENT Nelson Rockefeller said to-day that the Central Intelligence Agency had broken the law, but was not guilty of large-scale illegal activity.

Summing up the five-month Rockefeller Commission investigation of the CIA, the Vice President said: "There are *things* that have been done that are in contradiction to the statutes, but in comparison to the total effort (of the CIA), they are not major."

The commission held its last meeting to put finishing touches on a 350-page report that will be sent to President Ford on Friday.

Mr. Rockefeller said the panel named by President Ford in January to probe the CIA was "basically" unanimous in its conclusions about the spy agency.

One commission member, former California Governor Ronald Reagan, said on Sunday that he had no serious misgivings about CIA's domestic activities.

UPI

Lower short term rates may spark prime cuts

By Jay Palmer

NEW YORK, June 2.

KEY SHORT-TERM money market interest rates continued to edge lower in New York this morning prompting renewed speculation that First National City Bank of New York might spark off another round of prime rate reductions this coming Friday.

Citibank, New York's largest bank, ties its prime rate to a formula based on the running average of leading market rates. Unless there is a dramatic climb in rates this week, this formula on Friday will dictate a ¼ point cut to a 6¾ per cent. prime rate.

While Citibank has, on occasion, ignored the dictates of its formula, recent sharp declines in bank loan demand currently work to encourage a move to a lower prime. Such a drop, it is felt, would encourage America's other large banks to cut their lending rates from their present level of 7¼ per cent. to at least 7 per cent.

The Federal Reserve's money supply stimulation and its easier interest rates policy has dramatically lowered bank borrowing costs in recent weeks. Three-month certificates of deposit are now yielding 5¾ per cent. while 90-day commercial paper returns about 5 per cent. Federal funds are now quoted at just above 5 per cent.

A significant factor in the trend to lower prime lending rates has been recent slumps in bank loan demand. Since the beginning of this year, loans at New York's largest banks have dropped by around $4bn. Last week's figures showed yet another decline bringing the drop over the preceeding two months to over 11 per cent.

Mexico will aid Guatemalan search for oil

MONTEGRANDE, June 2.

MEXICO will provide technical assistance to Guatemala for exploration and exploitation of oil deposits, President Luis Echeverria of Mexico and Eugeni Laugerud Garcia of Guatemala announced.

General Laugerud said here that U.S. companies looking for oil in his country have discovered three deposits that could produce up to 6,500 barrels a day each once they start operation. "Guatemala does not have the necessary economic resources to explore and exploit oil," he said.

Mexico discovered vast oil deposits in the southern states of Tabasco and Chiapas near the Guatemalan border last year. Foreign estimates have placed yet unproved Mexican reserves at 20bn. barrels. "As a first step in closer relations between Mexico and Guatemala, Mexico will offer technical oil assistance," President Echeverria said.

AP-DJ

POLITICAL CONTRIBUTIONS

Gulf's trouble in Bolivia

BY ROBERT LINDLEY, BUENOS AIRES CORRESPONDENT

MR. ROBERT R. DORSEY, chairman of Gulf Oil, started the *scouting early this month when* he told the U.S. Securities and Exchange Commission (SEC) that Gulf had paid $4.2m. to Government officials of an unnamed foreign country so that Gulf could maintain operations there. In Latin America—where Gulf's interests are greatest in Venezuela and Ecuador—Bolivia seemed an unlikely setting for payments on such a scale. The Bolivian Gulf Oil Company, after all, had been nationalised in 1969.

But when the Governments of Venezuela and Ecuador, by way of establishing their honesty, somewhat threateningly demanded that Mr. Dorsey exonerate them or name names, and were promptly cleared by Mr. Dorsey, General Hugo Banzer, Bolivia's de facto President, gave Mr. Dorsey 48 hours to say whether Bolivians ever had received Gulf "contributions," and threatened to suspend $57.2m. in payments which Bolivia still owes Gulf as a result of the nationalisation six years ago, unless Mr. Dorsey met the deadline. Mr. Dorsey in fact did not meet the deadline. But three hours late—at midnight on May 9—Gulf got through to La Paz with its reply, which did *nothing to smooth things over:* there was a possibility that Bolivia was involved "in other political contributions" made by Gulf, not the one of $4.2m. Showing none of the diplomacy which was demanded of it at the moment—Gulf offered to send an emissary to La Paz to talk things over with General Banzer. But General Banzer could not approve. He demanded that Gulf give the names of the Bolivians it had bribed.

On May 16, Gulf's representative in Bolivia, Sr. Carlos Dorado Chopitea, a Bolivian national, delivered the eagerly-awaited revelation into the hands *of Gen. Banzer, in the form* of a letter from Mr. Dorsey. Mr. Dorsey maintained that Gulf's "contributions" in Bolivia had all been made between 1966 and 1969 under the Government of the late Sr. Rene Barrientos, and that they amounted to $460,000. Later that day, Mr. Dorsey told the U.S. Senate sub-committee on multi-national corporations that Gulf had made $5m. in "contributions" in South Korea, Bolivia, *Italy, and Lebanon, the bulk of* it, $4m., between 1966 and 1971 to South Korea's ruling Democratic Republican Party.

Mr. Dorsey informed Gen. Banzer that Gen. Barrientos, an air force officer who liked to fly his own craft, suggested that Gulf should rent a helicopter so that he could campaign more

President Hugo Balzer

effectively for President in the early months of 1966. Then, according to Mr. Dorsey's letter to Gen. Banzer, Gen. Barrientos "strongly urged" Gulf to buy him a helicopter, which also was done. Helicopter rental and purchase costs: $110,000. Contrary to most reports, the helicopter Gulf bought for Gen. Barrientos is intact, although grounded for need of spare parts, at a Bolivian air force base; and is not the one in which he crashed and died in flames while piloting himself on April 27, 1969.

The remainder of the $460,000 in "contributions," Mr. Dorsey assured Gen. Banzer, were made up of two outlays to Barrientos officials, one for $110,000, and the other for $240,000. Mr. Dorsey did not, however, name these officials. The Bolivian Government took his letter to be a "confession of guilt," and opened criminal proceedings against Gulf, in the persons of Sr. Dorado Chopitea and Mr. *Dorsey himself.* Sr. Dorado Chopitea, who is 60 and something like a Gulf public relations man in Bolivia, was jailed on the grounds that he had given "indications of culpability." On May 21 the Bolivian Government began proceedings to petition the U.S. Supreme Court to oblige Mr. Dorsey to go to Bolivia to testify, something Mr. Dorsey refuses to do.

Gulf began operations in Bolivia, as the Bolivian Gulf Oil Company, in 1957, and quickly gained a reputation as a powerful element in the impoverished republic. Sr. Victor Paz Estenssoro, leader of the 1952 revolution in Bolivia, a watershed in the turbulent history of the country, said publicly shortly before he was deposed in 1964 during his second period in the Presidency, that "Gulfmen" (his word) formed "half the Government and half the country." As President, Gen. Barrientos never denied that he received "contributions from personal friends," whether they were for use in his 1966 campaign or for the donations he made on his weekly trips to rural areas. He favoured private investment and was the strongest defender of Gulf presence in Bolivia. In 1967, a year after he became President, it was estimated that Gulf's oil and natural gas reserves in Bolivia were worth $1bn.

President Barrientos, on his death in 1969, was succeeded by Vice-President Luis Alfredo Siles Salinas who, although he had once been a Gulf lawyer, was disposed to re-negotiate the petroleum contracts. But before he got around to it, Dr. Siles Salinas was deposed by Gen. Alfredo Ovando. After 21 days, on October 17, 1969, Gen. Ovando—who had several Left-wing civilian advisers—nationalised all Gulf's holdings in Bolivia. The new *de facto* Government accused Gulf of having become "a super-state with an economic and political power greater than that of the Bolivian state." A year later, the Ovando Government fixed the payment to Gulf for the nationalisation at $78.6m. At the time, the French company Geopetrole, experts in oilfield audits, estimated the value of Gulf's investments in Bolivia at *slightly* more than $101m.

Sr. Dorado Chopitea remains in jail in La Paz, more like a hostage than anything else. He is likely to stay there until Gulf reveals the names of the others involved in the Barrientos pay-offs. Moreover, the Bolivian Government threatens not to pay the $57.2m. which it still owes Gulf for the nationalisation, if it does not receive satisfaction. "Total clarification is demanded."

Australian Minister quits as Cabinet split grows

BY KEN RANDALL

CANBERRA, June 2.

AUSTRALIAN Defence Minister Lance Barnard resigned from Parliament to-night after a day which saw a major split emerge inside Premier Gough Whitlam's Cabinet.

A rift has developed between Mr. Whitlam and his deputy, Dr. Jim Cairns, the Treasurer, over a possible reshuffle of the Cabinet.

Dr. Cairns to-night issued a statement directly criticising the Prime Minister for risking unity and teamwork for, in effect, a "new look" Cabinet.

There is a strong chance that the 27 Ministerial positions in the Government will be declared vacant at a meeting of the Parliamentary Labour Party to-morrow morning and a new ballot held. If this does happen, the positions of seven or eight Ministers could be in jeopardy.

In a television interview to-night, Mr. Whitlam said he did not expect a "spill" of the Ministry, but if there was a move for one he would support it on the principle of "get it over now." He would expect it to result in changes but had no fears about his own position.

To-day's situation was sparked off by the resignation of Mr. Lance Barnard, the Defence Minister, to take up an ambassadorship in Scandanavia. Dr. Barnard is resigning also as an MP despite the Government's narow majority of only four in the House of Representatives and the near certain loss of his seat in the resulting by-election.

Mr. Whitlam is prepared to let Mr. Barnard go and accept the consequences, using the opportunity to take in at least one new Minister and to reshuffle others. Dr. Cairns, in his statement to-night, said, however: "I want it to be known that I am opposed to this course."

He said the changes and the "diversion of a by-election" risked divisions which he could not accept. Dr. Cairns is understood to have threatened to resign from Cabinet if any attempt were made to move him from the position of Treasurer in which he is currently about to frame his first Budget.

On his return from a hastily curtailed European tour, Dr. Cairns issued a statment condemning Mr. Barnard's wish to quit Parliament for a diplomatic post.

"I have just returned from overseas, concerned with the need to concentrate all efforts on the forthcoming Budget, to find there are proposals to appoint Mr. Barnard to a diplomatic post and to make several changes in the Ministry," Dr. Cairns said.

"If this were done it would cause the distraction of a by-election and involve the risk of divisions in the party and Government at a time when unity and teamwork are essential."

Shooting erupts in Beirut again

BEIRUT, June 2.

SPORADIC shooting erupted in Beirut to-day and roadblocks reappeared briefly to hamper Lebanon's struggle to return to normal after two weeks of urban warfare.

No casualties were reported in an outburst of small arms fire, but the discovery of three bodies killed in earlier clashes involving left and right-wing Lebanese and Palestinian guerillas brought to 128 the number of persons killed while 300 were wounded in two weeks of fighting.

Security forces moved in quickly to halt the shooting and remove roadblocks of rubble and burning automobile tyres erected by right-wing groups marking the death yesterday of one of their top leaders, Naim Burdkan of the National Liberal party.

Meanwhile, the Premier-designate, Mr. Rashid Karami, to-day called on President Suleiman Franjieh to review the general situation in Lebanon, after being given the task of forming a Government capable of commanding the support of Lebanon's feuding politicians and restoring peace between the right-wing Falangists and supporters of the Palestinians. He seemed optimistic about a speedy return to normal life in the country.

Mr. Karami said in a statement broadcast over the Beirut radio last night that the security situation was now generally satisfactory, although there had been some minor incidents at the week-end. He urged co-existence and national unity to overcome "this painful ordeal" before forming his government which will succeed a military government which resigned last Monday under pressure from Moslem policitians after only three days in office. Agencies.

Ihsan Hijazi writes: Mr. Karami said to-day he and President Suleiman Franjieh have reached agreement regarding the formation of the new Lebanese cabinet.

Mr. Karami made the announcement after a meeting with Mr. Franjieh at the presidential palace but he did not disclose additional information on the subject. He was reported to have told visitors yesterday that he would still need three or four days to put a strong Cabinet together.

In his television and radio address last night, Mr. Karami urged Lebanese to be patient and to co-operate in re-establishing law and order. This, he said, would help create the proper atmosphere for forming the Government.

Dr. Mungai returns as Kenya MP

NAIROBI, June 2.

DR. NJOROGE Mungai, the former Kenya Foreign Minister who lost his parliamentary seat in last October's General Election, was to-day appointed a nominated member of parliament by President Jomo Kenyatta.

Dr. Mungai, 49, will fill the nominated seat—there are 12 in parliament—vacated to-day by his sister, Mrs. Jemima Gecaga.

Dr. Mungai, educated in South Africa and the United States, holds a medical degree and at one time was President Kenyatta's private doctor.

Five years ago he was considered to be almost certainly the most acceptable potential presidential candidate, coming as he does from the Kiambu clan of the dominant Kikuyu tribe—as does Mr. Kenyatta—and having established a reputation on the international scene.

But during last October's election campaign he was accused of spending too much time abroad and of having done little for his constituents and was defeated by the politically unknown Dr. Johnstone Muthiora for the Nairobi suburb of Dagoretti.

Dr. Muthiora looked set for a bright political future when he died last month from septicaemia complicated by liver and kidney failure.

Reuter

OIL COMPANIES IN MALAYSIA

An uncertain feeling

BY WONG SULONG, KUALA LUMPUR CORRESPONDENT

THE SUSPENSION by Exxon of all drilling in Malaysian waters this month dramatises the state of uncertainty facing foreign oil companies in Malaysia and presents the state-owned national petroleum corporation, Petronas, with its most serious challenge since its formation eight months ago. Operating under the concession system of royalty payments, the oil companies had felt uneasy and uncertain about their future and their rights ever since the passing of the Petroleum Development Act last October. It vested the "entire ownership and exclusive rights" to all oil and gas found in Malaysia in Petronas.

Their uncertainty was further increased by the Petroleum Amendment Bill and the wide ranging powers it gives to Petronas over the downstream activities of processing, refining, marketing and distribution of oil.

Of the eight companies granted exploration rights in Malaysia, only Shell and Exxon so far have struck oil or gas in commercial quantities. Shell is already producing about 80,000 barrels of oil daily from its Sarawak fields, while Exxon has just begun production on its Tembungo field in Sabah, getting 5,000 barrels daily. The American company plans to step up production on Tembungo, and at the same time to start production on its field off Trengganu in Peninsular Malaysia, later this year. There lies the crux of the company's confrontation with Petronas.

Exxon says that at this critical stage of development it is not prepared to commit further investments to its operations unless it is sure of the terms on which it would be operating. Preliminary negotiations with Petronas on a production-sharing agreement left no doubt to Exxon that the terms were, to quote an Exxon official, "unreasonably unattractive."

The company has now halted all drilling off Sabah and Trengganu, and has ordered a stop to the construction of two production platforms being built in Japan at the cost of $100m. They were to be installed off Trengganu later this year. Exxon's drilling vessel, the Glomar Conception, off Trengganu, will go to Australia to join two other Exxon drilling ships diverted from Malaysia earlier this year.

Sarawak Sheel is also having problems with Petronas over its plans for undersea pipelines and a liquid natural gas plant in Bintulu. They have already been held up for more than a year, although the company prefers to keep very quiet about its troubles.

It will take at least another six months before Petronas is ready for negotiations. It is likely to demand some radical changes in the present Mitsubishi tie-up in the project. Shell and Mitsubishi have agreed on a joint company to export Sarawak LNG to three Japanese gas companies over 20 years. The main loser in this delay may, ironically, turn out to be the Government-sponsored Malaysian shipping line, which has ordered from French shipyards five LNG tankers, worth $700m. The tankers are to be delivered between 1979 and 1981, and there is no guarantee that Sarawak gas will be ready for export by then.

The sudden introduction of the Petroleum Development (Amendment) Bill last month could not have been more awkwardly timed, coming as it did at a time when foreign investors are already jittery about their future in South-east Asia following the Communist victories in Indo-China. Few people seemed to know anything about the Bill until it was debated in Parliament. The National Petroleum Advisory Council, the Government's watchdog over Petronas, and the foreign oil companies were not consulted in advance and the Bill was passed when the Prime

TUN ABDUL RAZAK

Minister, Tun Abdul Razak, was in Europe and his deputy, Datuk Hussein Onn, sick in hospital.

The timing was the cause of some embarrassment to Tun Razak, who was urging investors in Europe to put money into Malaysia, to Petronas's chairman and chief executive, Tengku Razaleigh, repeatedly had to give assurances that Petronas had no intention to nationalise the oil industry. The powers which the Amendment Act gives Petronas are wide-ranging and caused ripples of fear among foreign investors in other sectors of the Malaysian economy. The American Embassy and British High Commission protested to the Malaysian Government against the implications of the Act.

Some oil companies are talking of challenging the constitutionality of the Act in the courts, arguing that it provides for "indirect nationalisation" by compelling oil companies to create multiple voting Management Shares, to be sold exclusively to Petronas. Each management share has 500 votes in matters relating to the "appointment or dismissal of a director or any member of the staff of the company in question."

The oil companies' frustrations and uncertainties have been aggravated by the inaccessibility of Petronas officials. Tengku Razaleigh, young, ambitious, a Kelantan Prince-politician, runs Petronas virtually as a one-man show. Sometimes it takes days or even two or three weeks before foreign oil executives can see Tengku Razaleigh, who is also to become chairman of the enlarged Haw Par Brothers.

Tengku Razaleigh, who faces his most crucial political test this month when he seeks re-election as one of the three vice-presidents of UMNO, the country's ruling Malay party, has often described himself as a nationalist, and makes no bones about wanting a far bigger share of the oil revenue than the Government is getting now from royalties and takes. However, it is also possible that he sees votes to be won at the UMNO elections by being tough with foreigners.

One oil executive said: "The outcome of the UMNO elections will be crucial, and we should get a clearer picture of where we stand after the elections."

But in fairness, it must be admitted that Petronas is still a fledgling organisation, with a minimum staff, all of whom are novices to the oil industry. Tengku Razaleigh's attention in the past few months has been devoted to negotiations with the State Governments for the transfer of their oil rights, and he has successfully managed to get eight states, including Sarawak, to agree, while the remaining five states, including Sabah, are expected to sign up by the end of June. Under the agreement, the oil producing States will get 5 per cent. of the gross revenue from production. For comparison, Sarawak gets only 4 per cent. of the revenue under the present system of royalties.

Petronas will have to be more flexible and accessible if it wants to get the petrodollars quickly. It is in a much weaker position in relation to the foreign oil companies than the now humbled Pertamina of Indonesia—having little money, knowledge and technical expertise to start with. One argument has it that it is precisely because Petronas is now in a weak position that Exxon has decided to challenge it, in the hope of getting better terms than once it is well established.

Malaysia's oil reserves, like those in much of the rest of Southeast Asia, are relatively small, and production-sharing terms will have to be attractive for oil companies to venture into marginal finds. Current known Malaysian oil and gas reserves are put at 3bn. barrels and 15 trillion cubic feet respectively.

Last year, the eight oil companies spent Ringgit 390m. (about £75m.) in Malaysia, nearly 60 per cent. of which went to exploration and surveys. This year, according to the Malaysian Central Bank's annual report, in March, the companies are expected to put in another Ringgit 670m.—more than 65 per cent. of which will go toward production and terminal facilities. It now appears that this by Malaysian standards enormous investment, will not be forthcoming unless a clearer and more favourable climate is created.

TanZam trials soon

By Della Denman

DAR ES SALAAM, June 2.

TRIAL OPERATIONS on the Chinese-built 1,162-mile TanZam railway, linking Zambia with Tanzania, are expected to begin next month.

Both cargo and passengers will be moved from Dar es Salaam to Mpika, about 270 miles from the Zambian terminal, and the laying of the final track to Kapiri Mposhi, the Zambian junction, should be complete by the beginning of August.

The result of the trial operations is expected to give some guidance on freight charges when the line becomes fully operational.

Meanwhile, Tanzania's next Five Year Plan, due to begin in July, could be delayed because of unfavourable economic conditions.

The country's National Planning Commission, after meeting at the week-end, recommended postponing the plan—the country's third — until immediate economic and financial problems, largely caused by bad harvest and declining agriculture production and subsequent expensive food and essential imports, had been overcome.

U.S. official begins Laos study visit

VIENTIANE, July 2.

AMERICAN ASSISTANT Secretary of State Philip Habib to-day began a fact-finding mission in increasingly pro-Communist Laos with a one-hour meeting with the Prime Minister, Prince Souvanna Phouma.

The East Asian and Pacific Affairs specialist said on arrival he would be discussing the whole question of relations between the two countries during his 24-hour visit.

He made no comment on the outcome of his talks with the 73-year-old Neutralist leader which came during considerable pressure on the American community here.

But he told reporters on arrival at the airport: "I am basically here to gain some idea of what their (the Government's) views are on the present situation."

He declined to be drawn on the specific question of whether American aid to Laos would continue in view of the pressure on U.S. officials here and the rise to power of the pro-Communist Pathet Lao.

Mr. Habib, whose visit is part of a long-planned Southeast Asian tour, was to meet the pleading Pathet Lao member of the government, Foreign Minister Phoumi Vongvichit at a working dinner here tonight.

Also invited to to-night's dinner were U.S. officials, including Mr. Gordon Ramsey, acting director of the U.S. Agency for International Development (USAID) in Laos.

U.S. sources said to-day that the Foreign Minister in particular had become increasingly in favour of the continuation of American economic and, which in the 1974-75 fiscal year totalled $32m.

Reuter

EUROPEAN NEWS

Curtain goes up on Lisbon Constituent Assembly

BY JANE BERGEROL

LISBON, June 2.

IN A BRIEF and efficient ceremony this afternoon, President Francisca Da Costa Gomes opened Portugal's Constituent Assembly, telling deputies: "Our revolution aims for pluralistic Socialism, through the fertile cross-breeding of revolution and elections."

Deputies from the four coalition Government parties (Communists, Socialists, Popular Democrats and MDP-CDE), from the Right-wing Centre Democratic Social Party and a solitary extreme Left-winger sat in the Sao Bento semi-circular Assembly and heard the President accent Portugal's revolutionary path and the problems they would have drawing up the country's new constitution.

Justifying the constitutional pact signed between the Armed Forces Movement (MFA) and the political parties, the President described it as a "security plan" and "a revolutionary contribution showing the originality of Portugal's socialist revolution." It was thanks to the pact, he said, that a tranquil climate for the April 25 elections had been created, while the pact also publicly proved that the politicians and the MFA together guaranteed the advance towards an original form of socialism.

None of the civilian Government Ministers have relinquished their Cabinet posts to take up their seats in the Assembly. Accordingly, this afternoon they sat in a bloc alongside the all-military Supreme Revolutionary Council. More military were looking on from the visitors' gallery.

To-morrow the Assembly begins preliminary meetings to discuss procedure and timetables. Meanwhile the political upheavals of the past fortnight appears to have blown over with the Socialists back in the Cabinet, having formally ended their boycott last Friday. At to-morrow's Cabinet meeting they are thought likely to continue pressing for action on the case of the Republica newspaper and to discuss economic affairs.

A long list of imports hit by new descriminatory duties of 20 and 30 per cent. have been published to-day by the Economics Ministry as part of the austerity plan.

Complete details have yet to be given but the duties will hit some imports for industry and mainly non-essential consumer goods. Particularly earmarked are electrical appliances and other household consumer durables and the Government is going out of its way to reassure householders that basic essentials — food and clothing — will not be affected.

It is unclear whether this list will be followed up by further austerity measures in line with the Prime Minister's announcement of drastic belt-tightening to improve the balance of payments situation. But Ministry sources denied rationing would be grought in after rumours had suggested this could affect a variety of ordinary consumer products. To-day's import duty measures come after Portugal told the OECD it would be unable to ratify the next 12 months trade liberalisatio npact because it is being forced to take restrictive import measures to deal with the economic crisis.

French party row over Portugal

BY GILES MERRITT

PARIS, June 2.

THIS MONTH'S "summit" meeting between French Socialist Party leader Francois Mitterrand and his Communist Party counterpart, M. Georges Marchais, is in serious danger of cancellation because of a bitter tripartitie row that has broken out between them and French Premier Jacques Chirac over the political situation in Portugal.

It was hoped the Mitterrand-Marchais meeting would repair much of the damage done this year to the country's Socialist-Communist Union of the Left. But following the quarrel that has been sparked off here by the closure in Lisbon of the Socialist newspaper Republica it seems possible the peace talks may not now take place and the rift in the Left-wing coalition will widen.

The uneasy relationship between Portugal's Communists and tallised here by the Portuguese talised here by the Portuguese Communists' reported suppression of Republica—is viewed as a possible foretaste of how events might one day develop in France if the Union of the Left were to come to power.

Not surprisingly, therefore, M. Chirac, as President Valery Giscard d'Estaing's Prime Minister and also as leader of the Gaullist UDR party, lost little time this week-end in exploiting the situation. His statement at a UDR rally in Nice that M. Marchais condoned the "assassination" of Republica and his remark that "when it comes to talking about liberty, no one in the world thinks of Communism" appear to have done the trick.

To-day's issue of the official French Communist Party newspaper L'Humanite carries not only a scathing attack on the Premier, calling him a "liar," but also a leading article by M. Marchais in which he calls into question the Socialists' desire for "summit" talks.

Never very relaxed at the best of times, relations between the French Communists and their Socialist allies has been increasingly soured by the Portuguese situation. Personal animosity between M. Marchais and M. Mitterrand previously flared in February, when the Communist leader described M. Mitterrand, who is at the head of the Union of the Left, as "domineering."

But the "mirror" quality of a similar left wing partnership in Portugal that has deteriorated rapidly has clearly polarised loyalties in France and the two parties could well be on a collision course. Political observers in Paris are now stressing that if he is to safeguard the future of the Union of the Left, M. Mitterrand may well have to drop his criticisms of the Portuguese Communist Party and even support M. Marchais in his attack on M. Chirac.

The Socialist leader's most recent remarks, though, during a week-end conference in Milan, suggest that he has no intention of backing down. He said that his party's view of events in Portugal, and the closure of Republica, differed from that of France's Communists. He commented: "We simply do not hold the same opinions." And while he emphasised that he was not intending to be drawn into a row over the question, he added that there was no question of his changing his attitude.

Paris confident of arms sales

BY RUPERT CORNWELL

PARIS, June 2.

DESPITE THE dwindling chances of the Mirage F-1 in the contest for the four-nation Nato fighter contracts, senior French officials are exuding confidence that 1975 will be a bumper year for the country's arms exporters.

Faced with the near-certainty that Belgium, the last supporter of the Mirage, will now, after all, join Holland, Denmark and Norway in choosing the American contender YF-16 aircraft of General Dynamics, the attitude of the French defence estoblishment seems to be that whatever happens they have more than enough work on their plates.

Last week on French television M. Marcel Dassault, the 83-year-old head of the firm which produces the Mirage, said that his company would manage even if it did not secure the touted "arms deal of the century." Now M. Jean-Laurens Delpech, France's top arms sales official, has said that 1975 prospects for the industry are very encouraging.

In a speech to the National Defence Institute, reported in the Ministry publication "Defense Nationale" M. Delpech claimed that French manufacturers now had business in hand worth Frs.30bn. (£3.1bn.), with orders last year alone reaching Frs.19bn. (£2bn.). According to the Defence Minister, M. Yvon Bourges, exports in 1974 totalled Frs.20bn.—half of them aircraft—putting France ahead of the U.K. as the world's No. 3 arms supplier after the U.S. and the Soviet Union.

In the past five years, M. Delpech told his audience, French arms sales had more than tripled and now accounted for a third of the industry's output against only 17 per cent. in 1971. Exports had been the main reason why the industry had achieved a 13 per cent. annual rate of expansion.

Indeed arms—and in particular the Mirage—have been the common denominator of visits here this year of several foreign dignitaries, including Egypt's President Sadat, Kuwait's Sheikh Sabah and Greece's Prime Minister Constantine Karamanlis. Rather than the industry, the main casualty of the Mirage/YF-16 struggle seems likely to be France's aspiration to be at the helm of an independent European aerospace policy.

Viggen jet fighter price cut 25%

BY HILARY BARNES

COPENHAGEN, June 2.

A NEW cut-price offer for the Viggen fighter interceptor by Sweden's Saab-Scania to-day threatened to upset the Danish Government's plans to buy the American YF16 aircraft.

Saab-Scania to-day told Defence Minister Orla Moeller that they were prepared to knock 25 per cent. off their previous price, bringing the offer down to Kr.2,390m., which is Kr.10m. below the American offer. The offer applies to 48 aircraft and an option for a further ten. The offset contracts offered to Danish industry over a ten to 15-year period by the Swedes remain unchanged in cash terms, but on the lower price now amount to 175 per cent.

Last week Denmark announced that it was proposing to buy the YF-16 in a joint deal with three of its Nato allies, Norway, Holland and Belgium, on condition that they also decide to buy this aircraft. A Bill embodying the Government's decision received its first reading in the Folketing (Parliament) on Friday with the support of parties representing 119 of the 175 members. The second and third readings are due later this week.

The Government, however, only got its decision through the Social Democratic Party group after considerable discussion and opposition from members who preferred the Viggen. It is felt here that Saab's new offer will mean that the party group will demand to reconsider its position.

The Saab offer is made to Denmark only and is not contingent on the three other nations agreeing to buy the same aircraft.

DENMARK AND THE BRITISH REFERENDUM

Why a 'no' would upset the Danes

BY HILARY BARNES, COPENHAGEN CORRESPONDENT

"I PRAY for Britain's continued membership of the EEC every night in my evening prayers," the Danish Prime Minister, Mr. Anker Joergensen, said recently. And the Market Minister, Mr. Ivar Noergaard, said that if Britain withdrew from the EEC it would be "a disaster and a nightmare."

The intense desire of leading Danish politicians that Britain should stay in the Community has two background reasons. The negative one is that British withdrawal would turn the devil loose in Danish politics, as a newspaper editorial put it at the week-end. The positive side of the matter is that the Danes see Britain as a guarantor that the EEC will continue to develop along the right lines in the future.

Denmark joined the EEC after a referendum in September 1972. It was a condition of the Government's recommendation in favour of membership that Britain would also join. If Britain leaves there will therefore be a new referendum to decide whether Denmark should stay. The constitution does not require that, but there is a substantial majority in the Folketing (Parliament) for a new referendum should Britain leave. It considers that it would be difficult to face the public if membership under the changed circumstances was not reconfirmed by popular vote.

But it is recognised at the same time that a new referendum would create formidable tensions in Danish politics, which the ten-party structure may perhaps not be able to withstand. The Social Democratic Government and party, in particular, are haunted by the spectre of the kind of divisions that have torn the British and Norwegian Labour parties as a result of differences of opinion about the EEC. To guard against such divisions the Social Democrats are silent about what they think Denmark should do if Britain leaves. The most that ministers can be induced to say is that, economically, it would probably still pay Denmark to stay, but that the attempt to keep Denmark in if Britain were out would probably be so unpopular that the leading politicians would not risk the effort.

Opinion has turned against the EEC since the 1972 referendum, when there was a 57-33 per cent. vote in favour (the remainder not voting). According to the opinion polls, opposition to the Community peaked last autumn when there were 53 per cent. against and 37 per cent. in favour of membership. Polls in May indicated that opinion now is more or less evenly divided on the issue. If Britain withdraws, the polls also show, there will be a two to one majority against continued Danish membership.

Guilt

The swing of opinion against the Market seems largely to be a matter of guilt by association. Food prices rose sharply in the spring of 1973 just after Danish membership had became effective, sparking off widespread demonstrations by housewives, and giving anti-Market opinion an important boost. The oil crisis caused further economic travails, including high unemployment and a new burst of inflation.

Anti-Marketeers have made capital of the fact that Norway and Sweden, which did not join, seemed to be having a happier economic time than Denmark, ignoring that Norway is riding on the crest of the oil boom while Sweden benefited from the boom in raw material prices last year — prices which Denmark had to pay.

Both the existing Social Democratic Government and last year's Liberal Government have found membership of the Community a positive experience. There are several concrete advantages. Agriculture has been able to increase its export earnings substantially, enabling hefty subsidies built up in the 1960s to be abolished. The EEC's currency co-operation in the so-called Snake is seen as an important protection for the Danish krone at a time of international monetary unrest. Exports of manufactures to EEC countries have not developed as fast as hoped for. In 1974 exports of manufactures to EFTA rose faster than those to the EEC, mainly because of the

buoyancy of the Swedish and Norwegian markets, but the general condition of European markets, not least the British, made this almost inevitable. Danish industry as a whole is still confident of making substantial long term gains from membership of the Community.

As a small nation, Danes also feel that they have been able to exercise considerable influence in the counsels of the Community. Among the successes to which the Danes like to refer are the assistance which they were able to give to Sweden and Norway in making these countries' free trade agreements with the EEC work smoothly. The Danes are also pleased that proposals which they put forward on consumer policy and on the multi-national corporations have had a major influence on the policies subsequently outlined by the Commission.

If there is a "no" in Britain on Thursday, Danish anti-Marketeers will press for a speedy referendum. Ministers have said frequently that there can be no new referendum until the result of the British withdrawal negotiations is known. This means that it will be at least a year, possibly two, before there is another vote in Denmark, officials say. A decision to wait would make obvious sense. Firstly, if Denmark is still firmly a member it can do its best to ensure that Britain leaves on terms which will benefit Denmark, should Denmark also withdraw. They could, for example, try to stop any attempt on the part of the EEC to abrogate its treaties with the EFTA countries in order to renegotiate with both them and Britain on an equal footing, an eventuality which the Danish Government has said it fears may arise.

Victim

The most important victim of a Danish withdrawal would probably be agriculture. The farmers' organisations fear it would spell the end of Danish agriculture as a major exporting industry and that within a few years output would be slashed to something like a third of the present level and the industry reduced to the status of a supplier of the home market. Whether the situation would be quite so disastrous is open to question, but it would depend on what happened in any withdrawal negotiations.

Much of the tension has gone out of the situation, however, as increasing evidence is provided by opinion polls in Britain that there will be a "yes" vote. Hence the Danes are turning their attention to the issue of living with Britain as a member of the EEC. The Social Democrats hope that this will mean that the British Labour Party will begin to play a full role in EEC activities, more particularly the European Parliament, providing valuable support for the other Social Democrat parties in the Market. A definitive British "yes," it is hoped, will also remove the last vestiges of opposition to membership within the Danish party—or at least make it a merely academic issue.

When it comes to the kind of support that the Danes want from Britain in future, they find themselves comforted by the big part that sovereignty has played in the British campaign. The Danes also want to maintain the authority of their own Parliament and are opposed to the giving away of further powers to Community bodies. Britain and Denmark were on the same side in April against widening the budgetary powers of the European Parliament. They are also very cautious in their approach to the direct election of members of the Strasbourg assembly. The Government and the Folketing take the line that direct election must only take place in conjunction with elections to the Folketing, giving the member a double mandate.

The Danes do not want an institutionalised EEC foreign policy and political co-operation. Federalist tendencies are regarded with deep suspicion. Even though Denmark and Britain may not always see eye to eye it is the feeling that there is a basic affinity between them which provides the most important reason why a great majority of the Folketing wants Britain in.

Appeal in Greek meat case begins

ATHENS, June 2.

AN ATHENS court of appeals to-day began hearing the appeals of 34 people, including a former Minister of Trade, against sentences passed last June in connection with illegal imports of meat from Rhodesia.

The sentences, ranging from six months to 13 years, were passed by an Athens court martial. At the time, Greece was under martial law imposed by the military regime which collapsed one month later.

The court martial sentenced Mr. Michael Balopoulos, 54, a former Trade Minister, to four years' jail, while the Director-General of his Ministry, Mr. Zafiris Papamichalopoulos, 58, was sentenced to ten years.

To-day, the court of appeals dealt separately with the hearing of the appeal by Mr. Papamichalopoulos, who was unable to attend because of illness. The other convicted were meat importers and civil servants.

The indictment said that the defendants used false documents to circumvent U.N. sanctions against Rhodesia. Mr. Balopoulos was sentenced on charges of dereliction of duty and Mr. Papamichalopoulos of receiving bribes totalling £130,000 to grant licences for the import of meat from Rhodesia and Argentina.

The defendants had claimed before the court martial that they had acted at the Trade Ministry's instructions in order to supply the Greek market with cheap meat at a time of meat shortage.

They were acused of importing illegally 23,000 tons of meat from May, 1971, to the end of 1973 which cost the state the equivalent of \$1.5m. in unpaid duties.

The defendants requested the court of appeals to annul the court martial decisions
Reuter.

Trade surplus cut confirms W. German growth standstill

BY NICHOLAS COLCHESTER

BONN, June 2.

CONFIRMING what the order figures have already made clear, the West German trade balance fell away sharply in April to DM2.81bn. compared with a surplus of DM3.4bn. in March and with one of DM4.6bn. in April 1974.

The decline in exports led to an even sharper deterioration in West Germany's position on current account: the surplus here was DM700m. in April compared with DM1.5bn. in March and with DM3.4bn. a year earlier.

These figures, released by the Government's statistical office today, are symptomatic of the slump in export orders that has undermined West Germany's hopes for economic growth this year. Exports for April totalled DM19.7bn., up only 2 per cent. in cash terms and thus rather lower than the exports booked in volume terms in the same period of 1974. Meanwhile imports for April were up by 14 per cent. in cash terms to DM16.883bn.

The failure of export orders to hold up this year has been the main reason why the official estimate of economic growth in West Germany in 1975 has now been revised downwards to zero from the expansion of 2 per cent. predicted in January. While, and partly because, these orders have not come through, West German industry is still reluctant to invest and domestic demand remains stagnant.

The trade totals for the first four months show exports 2 per cent. down at DM72.4bn. and imports 5 per cent. up at DM59bn. The resulting four-month trade surplus is DM13.4bn. against DM17.9bn. last year, while the current account surplus has fallen from DM9.8bn. to DM6.4bn.

See Page 24, GHH orders decline

VW to lay off 600 men

WOLFSBURG, June 2.

VOLKSWAGEN, Europe's biggest car manufacturer, which has been hit hard by a sales slump in both domestic and foreign markets, will dismiss 600 workers by the end of this month as a first step of a sweeping rationalisation drive.

A company spokesman said to-day that the Emden-based branch plant's 6,700-strong labour force would be cut to 6,100 by the end of June to adjust production to continuing low demand. In line with the cutback of the work force at the North Sea coast plant, daily output of "beetle" models will be slashed to 290 from the present 386. The spokesman said that the plant would, however, continue to produce 580 Golf models a day.

The announcement of the dismissals came five weeks after VW chief executive Toni Schmuecker told a news conference that the ailing car giant would have to strip itself of 25,000 workers, or a fifth of its labour force, by the end of 1976, in line with a sweeping rationalisation drive designed to get the company out of the red.
UPI.

Pulp cut-back in Sweden

BY WILLIAM DULLFORCE

STOCKHOLM, June 2.

PRODUCTION AND exports of Swedish pulp and paper dropped sharply during the first quarter of this year as a result of falling demand from Western Europe. Deliveries of chemical and mechanical pulp dropped by 21 per cent. to 1.03m. tons, while production fell by 4.9 per cent. compared with the first quarter of 1974 to 1.25m. tons, according to a report by the Swedish Pulp and Paper Association.

The drop in production follows almost two years of full capacity utilisation. At the same time stocks of chemical pulp in Nordic mills more than doubled during the first quarter to close on 500,000 tons, 70 per cent. of which is in Sweden. Stockpiling continued in April.

Swedish paper and board production fell by 11 per cent. between January and March with fine paper, Kraft liner and corrugated medium manufacturers experiencing the greatest reduction in order books. In these qualities only 70 per cent. of production capacity was utilised.

Shipbuilders speak out

PARIS, June 2.

THE 18 per cent. fall of the U.S. dollar and the Yen against the French franc in less than a year has created an unacceptable situation for the French shipbuilding industry, says M. Pierre Loygue, president of Chantiers de l'Atlantique S.A.

He has called for the revision of recent measures to increase export insurance premiums which have increased prices even further and made the French exporter less competitive.

M. Loygue told journalists he expected the market for building tankers to become normal again in 1980-82, provided the re-opening of the Suez Canal did not affect matters. The market for methane carriers was unlikely to improve before 1980, he added.
Reuter

Denktash criticises Makarios

By Our Own Correspondent

UNITED NATIONS, June 2.

WITH THE CYPRUS peace talks due to be resumed this week in Vienna under the auspices of U.N. Secreteary-General Kurt Waldheim, Mr. Rauf Denktash, the Turkish Cypriot leader, questioned the sincerity of the Greek Cypriot side in a letter to Dr. Waldheim made public here to-day.

Mr. Denktash also criticised the Commonwealth conference last motnh for its "biased approach." He said the Cyprus President, Archbishop Makarios "deceived the conference into supporting his unlawful and unconstitutional Government without an opportunity being given for the viewpoint of the Turkish Cypriot co-partners of the Republic to be heard."

The Turkish Cypriot leader, who is to take part in the new round of Vienna talks, complained about the Cyprus Government's attitude towards the refugee question and about its military posture.

In his letter, circulated as a Security Council document, he accused the Greek Cypriot side of frustrating peace efforts on the eve of the Vienna talks. "The attitude of the Greek Cypriot authorities once more leaves one to doubt the sincerity of the Greek Cypriot side and the faith they have in the intercommunal talks," Mr. Denktash said.

SOVIET MISSILE TESTS IN PACIFIC

MOSCOW, June 2.

THE Soviet Union has announced plans for nearly a month of missile tests in the Pacific Ocean ahead of the next round of nuclear arms talks with the United States.

A brief communiqué issued by the Tass news agency said the tests would begin to-morrow and last until June 30 in a 150-mile-wide area of the North Pacific.
UPI

Building societies offering choice of home insurance

BY ELINOR GOODMAN

BUILDING SOCIETIES will no longer be able to dictate to borrowers which insurance company they use to insure their houses. The Building Societies Association has agreed with the Office of Fair Trading that, in future, societies will offer borowers a choice of at least three insurance companies.

Borrowers will also be given the option of proposing their own insurer but building societies will retain the right to reject an insurance company if it feels the suggested company is unlikely to provide an adequate service.

The agreement is aimed at helping borrowers to use their rights as consumers to shop around and stop what the Office of Fair Trading sees as a potentially restrictive trading practice.

When a building society makes an offer of a mortgage, it requires that the property is insured against damage by fire and other hazards. Until now, the society has also stipulated which insurance company should be used and has acted as agent for the named insurance company.

Best terms

Building societies have defended this arrangement in the past on the basis that, because the property also forms the security for the loan, they must be absolutely sure of the financial standing of the insurance company involved. They have also pointed out that the fact that they are placing so much business with one insurance company gives them extra leverage both in relation to the size of the commission and in relation to getting claims dealt with promptly.

Mr. John Methven, director-general of Fair Trading however, has been concerned for some time that some house buyers may not have been able to get the best terms available for their insurance.

He has been particularly worried about the position of consumers buying particular types of property, like thatched cottages, which are subject to unusually high rates of insurance.

In future, any insurance companies other than those suggested by the building society must, however, provide cover equivalent to that provided by the companies the building society has suggested and the society will have the right to reject a company if it considers its service inadequate.

If an applicant wanting an endowment mortgage is introduced to a building society by his insurance company, he may use his own insurance company provided it similarly meets the requirement of the building society. Where an insurance company guarantees an excess advance, it may make it a condition of the guarantee that it is responsible for insuring the property and in these circumstances the society may agree to that request.

The recommendation setting out the new arrangements was issued by the Building Societies Association on May 22 but individual societies are expected to take three months or so to make the necessary adjustments.

'High profits needed to attract investment'

FINANCIAL TIMES REPORTER

HIGH PROFITS must be accepted as a necessary condition for high growth if investment is to rise in the U.K., according to Management Today.

Presenting its "Growth League," the magazine in its June issue points out that any investor who placed his money in big British business in 1965 has received no return worth speaking of 10 years later.

It was natural that if returns were inadequate in one sector, people would invest funds elsewhere and in this sense the decline in stock market prices was a simple repetition of the drop in real corporate profits.

Top of its 1975 league is Associated Dairies, the dairy products and food retailing group, followed by Reardon Smith, Ladbroke Group, Croda International and the Hanson Trust.

Cavenham Foods, which was top last year, only manages ninth place.

Warnings

In its leader columns the magazine warns that "the public sector has become too large for its own good—not only because its own results are increasingly poor, but because public expansion has starved the private sector of its growth and rewards."

Managers are also cautioned not to embrace the idea of further Government intervention in industry. "Each new step forward by the State weakens the private sector's own powers of initiative, until one day the whole war for a truly mixed economy will be lost — because well-intentioned people were unwilling to fight a crucial battle."

City's status endangered by low salary levels

BY MICHAEL BLANDEN

LONDON'S POSITION as a leading financial centre would be threatened by the persistence of the low level of salaries there compared with other centres, it is argued by a representative group of City institutions.

In written evidence to the Royal Commission on the Distribution of Income and Wealth, the institutions, including representatives from the insurance industry, banking and the stock market, quote figures illustrating the sharp differences in the pay of higher managers in Continental Europe compared with London. They argue that, if the disparity continued for too long, "there would not only be a loss of foreigners working here but also of U.K. personnel."

The evidence has been prepared by a special ad hoc working group set up under the aegis of the City Liaison Committee—a top-level body which brings together senior representatives of all the major City interests.

It maintains that "if the levels of remuneration offered in the City of London to those with an internationally acceptable qualification or skill are seriously out of line with those obtaining in competing financial centres then it is probable that, over a period of time, London's position as Europe's leading financial centre will disappear."

Figures are quoted for men in the higher but not top grades in banking and insurance. The comparisons show that, after allowing for tax and an adjustment to different levels of the cost of living, U.K. salary levels are well below those in France, West Germany, Switzerland and the Netherlands. Compared with Switzerland the adjusted net remuneration in Britain is less than half.

In conclusion, the memorandum comments: "It is recognised that the undoubted benefits that the various facets of the City bring to the U.K. depend primarily on people . . . Any attempt to influence the financial rewards currently available to them could result all too soon in their departure to more favourable environments."

Construction group offers oil platform design

BY ADRIAN HAMILTON

A FRANCO-SCOTTISH construction consortium, Caledonian Platform Structures, yesterday introduced a new design for North Sea oil production platforms which it plans to build on the Firth of Forth.

The design, produced by Ove Arup and Partners, is one of the very few British designs for offshore concrete platforms and has been developed especially for construction in relatively shallow waters.

Although the consortium, which includes the French construction groups Spie-Batignolles and Fougerolle as well as Whatlings of Glasgow, has entered the field relatively late and is so far without an order, it claims the advantage of a site at Burntisland that needs little preparation, has an existing infrastructure of labour and services and is close to the big finds.

The site is owned by the Forth Ports Authority and planning consent has been given by the Fife County Council, and could be developed in a relatively short me.

The design has also passed roval hurdles by Norske Veritas and seems to have attracted some interest from the companies. Assuming that an order was obtained within the next year, the group would hope to build a platform for delivery in 1978.

One problem for the consortium, however, remains the political and competitive climate of North Sea platform fabrication at present.

The pace of ordering by the oil companies has fallen well below previous predictions.

In these circumstances, Caledonian Platform Structures will have to compete against proven designs already ordered and against other yards which, because of either their existing labour force or their position on the West Coast, may have greater Government backing in a thin market.

Although the design is a British one, the consortium itself is overwhelmingly French. Spie-Batignolles and Fougerolle each have 45 per cent. shares in the consortium. Whatlings has limited its holding to 10 per cent. and the role, as a spokesman put it yesterday, largely of providing experience and expertise of Scotland.

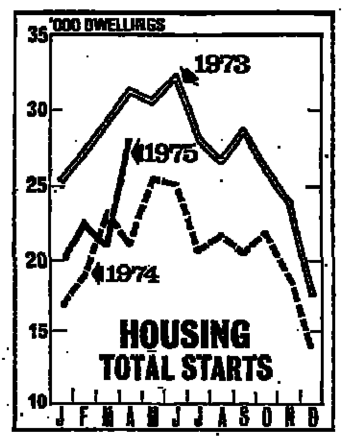
Private house starts show strong upturn

BY JOHN TRAFFORD

A STRONG upturn in private housebuilding starts and an unexpectedly large decline in grants for house renovation are shown in figures issued yesterday by the Department of the Environment.

Discounting normal seasonal movements, private sector housing starts during the three months February-April were 41 per cent. up on the previous quarter and 14 per cent. ahead of a year ago, while completions were 13 per cent. up and 11 per cent. down respectively.

The performance in the public sector was more moderate. Starts in February-April were 3 per cent. up on the previous three months and 4 per cent. up on the comparable 1974 period. Completions were 13 per cent. up on the previous three months and 30 per cent. up on a year ago.



Confidence

The much-increased volume of private housing appears to reflect the greater confidence among housebuilders in the wake of the rapid inflow of funds into the building societies.

The DoE figures give no indication of the breakdown between the different types of houses being started, but it seems virtually certain that a high proportion of the new houses now under construction are at the lower end of the market.

Such a pattern would reflect the effect of the Government's current policy to help the first-time buyers who generally can only afford the smaller, cheaper type of houses.

For the three months February-April, house renovation grants for an estimated 31,000 dwellings in England and Wales were approved under half the 83,100 figure recorded for the comparable period in 1974.

Although the value of improvement grants was increased last December, it seems that the narrowing of the categories eligible has had a marked effect on the grants actually made.

Big banks in index-linked certificates dispute

By Michael Blanden

A DISAGREEMENT over commission levels between the banks and the National Savings Department has stopped the banks from selling the new index-linked retirement certificates which went on sale yesterday.

The big banks, it is understood, sought a higher commission for handling this business than they receive on the ordinary national savings certificates they sell on behalf of National Savings.

The banks have argued that the new certificates involve a good deal of extra work, including checking on the age of purchasers and dealing in relatively small amounts.

As a result, the banks and National Savings have failed to agree on a figure for commission payable to the banks.

The new certificates, providing protection against inflation, are limited for sale to pensioners and to a limit of £500 per person.

The issue is widely expected to prove a success, against the background of current inflation levels, and the Department yesterday said there had been "quite a lot of public interest." Indications of the result are not expected to be disclosed in any detail for a fortnight or so.

£7.8m. Euroloan for Scottish

BY HAROLD BOLTER, INDUSTRIAL EDITOR

THE COMMON MARFET'S European Investment Bank has granted a £7.8m. loan to the South of Scotland Electricity Board towards the cost of construction of the Board's second nuclear power station at Hunterston.

The loan, for 12 years at an interest rate of 9¼ per cent., raises the amount so far provided by the European Investment Bank for the construction of power stations in the U.K. to £57.2m.

In February this year, £15.6m. was provided for the same Scottish project as the new loan —the 1,250 Megawatt Hunterston "B" nuclear station.

Other loans from the Bank have included £23.4m. for the construction of the Hartlepool nuclear station in the North East of England, and £10.4m. for a thermal power station being built at Peterhead, Aberdeenshire, for the North of Scotland Hydro-Electric Board.

Urgent need

The new loan to the South of Scotland Board fits in well with two main objectives of the EIB's financing operations.

These are the promotion of regional development within the EEC and projects of interest to several member-countries, particularly measures to strengthen domestic energy resources.

The Hunterston "B," Hartlepool and Peterhead power stations are all situated in development areas and will form part of the infrastructure needed to support future industrial growth.

It is the EEC's urgent need to diversify the sources of its energy supplies, and above all reduce its dependence on oil imports which underlines the importance of finance provided by the EIB for the development of nuclear power.

Last week the European Commission announced a £7m. loan for the British Steel Corporation, a £30m. loan for the National Coal Board, and £12m. for Johnnie Walker whisky.

More tourists visit Orkney

More than 33,000 tourists visited Orkney during the holiday season last year, adding nearly £1m. to the islands' economy. This represents an 8 per cent. increase on the total for the previous year, according to Mr. J. Gourlay, Orkney's tourist officer, yesterday.

The Pentland Firth route between Scrabster (Caithness) and Stromness (Orkney) was the most used by visitors, accounting for nearly half of the holiday-makers going to the islands.

A new £1.5m. ferry, St. Ola, capable of carrying 400 passengers and 90 cars, and making up to three trips a day was introduced on this route last February.

HOME NEWS

Road haulage companies urged to review costs

BY ARTHUR SMITH

THE ROAD HAULAGE Association is urging members to review costs and raise charges where necessary.

Costs in the first four months of the year have gone up by more than 5.5 per cent. on average, Mr. Ken Hatcher, association chairman, says in a letter to the 18,000 member companies.

For some members, costs will be even higher. Mr. Hatcher notes that the association's survey did not include items such as the increase in local authority rates and the one-third rise in vehicle excise duties announced in the Budget.

Moreover, "unusually large sums" had to be put aside in anticipation of the effect of inflation on vehicle replacement costs.

"Last year it was estimated that the price of a 32-ton vehicle rose by as much as 60 per cent. There is no reason to suppose this will be any less in 1975."

There is some consolation for haulage operators to the extent that costs do appear to have moderated from what Mr. Hatcher describes as the "unprecedented" 2.5 per cent.-a-month level of 1974.

Pressure on the wages front tended to work its way through in the latter part of last year and the latest RHA survey shows that labour and fuel costs have remained steady.

The principal areas where operators have been hit by inflation are identified by the association as repairs and maintenance, tyres, and national insurance contributions—all up 8 per cent.—and occupancy costs—16½ per cent. higher.

Even without the Association focusing attention on the problem of inflation, operators have inevitably been adjusting charges. But the downturn in the national economy and the excess haulage capacity created makes it difficult for companies to recoup all cost increases.

The slackening of freight trainsport demand has intensified competition, putting pressure on profit margins and forcing a number of companies either to lay up vehicles or cease trading.

Against this background, the RHA has advised operators to cut back fleets to match the tonnage on offer and to refuse to work for uneconomic rates, "however great the temptation to keep the wheels turning."

Rising prices boost take-out beer trade

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE RISING price of beer and petrol has given the take-home beer trade a major boost, according to Britain's biggest brewer, Bass Charrington.

Price-conscious beer drinkers have been quick to find the financial benefits of drinking at home. "It is a move which has been brought about by rising costs from the price of beer itself to the price of petrol which can inhibit a drive to the local," says Bass.

So the off-sales beer market, which the group estimates is worth £300m. a year, and has 13 per cent. of total beer sales, "faces a buoyant future."

It is in supermarkets and self-service outlets that the growth is to be found, states Bass. Presently this sector accounts for 28 per cent. of the take-home beer trade, with the traditional off-licence still supplying half the market.

At least 65 per cent. of the take-home beer business is now in non-returnable containers. Of this area, cans have 90 per cent. now with sales growing annually at 16 per cent.—nearly 10 times the rate of the beer market as a whole.

Taste's in take-home beers are also changing. Light and pale ales still represent more than half the volume, but lager, with a 20 per cent. share, is forging ahead at a rate over 17 per cent. a year.

Bass's experiments with a new aluminium can in Scotland which it says are "almost completely re-cyclable, use appreciably less raw materials and are much lighter." More brands are scheduled to be marketed in these cans later this year.

Container ship link to Beirut

By James McDonald, Shipping Correspondent

MANCHESTER LINERS is to inagurate a container ship service between Manchester and Beirut on June 25. It will link with countries beyond Lebanon as well.

First ship on the run will be the Manchester Fulmar. She will be followed by the Manchester Falcon on July 10. Subsequent sailings will be fortnightly.

This development follows the successful introduction earlier this year of Manchester Liners' container ship sailings from Manchester to the Piraeus.

Conference will discuss abortion

The possible return of back street abortionists is one topic scheduled for discussion at the National Conference of Labour Women between June 24 and 26.

Speakers at the conference—to be held in Harrogate—will include Mr. Roy Jenkins, the Home Secretary, and Miss Joan Lestor, Foreign Office Under-Secretary.

New U.K. economic model

Financial Times Reporter

BANK OF ENGLAND economists are examining a new model of the U.K. economy which incorporates a number of monetary variables not included in the forecasting systems at present used by the Bank and the Treasury.

The basic new model was developed and offered to the Bank a year or so ago as a result of work carried out at the London Business School. *It is empasised, however, that* it is still being developed, in close consultation with the Treasury, and is unlikely to be established enough to be put into operation for at least another six months.

Incorporating monetary variables such as interest rates and the money supply into economic forecasting models presents particular difficulties because of the erratic nature of the figures involved and their uncertain relationships with other variables. It is felt, nevertheless, that after the experience of the past three years with the effects of easy monetary policies and the subsequent restrictions, it would be useful to attempt to build these elements into forecasts.

This would add a new dimension to forecasting techniques at present relying on general economic relationships between variables such as the level of demand, exports and government spending.

MPs start two-day visit to machine tool companies

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

AS PART of the U.K. machine tool industry's campaign to polish its public image, an all-party group of nine MPs started a two-day visit to companies in the Leicester area yesterday.

During the tour, sponsored by the Machine Tool Trades Association, the MPs will have a chance to meeting leading machine tool industrialists.

A spokesman for the MTTA said last night: "This activity is part of a deliberate programme which in recent years has included meetings and visits in the Home Counties, the Midlands, Yorkshire and the North-East."

Behind these visits is the feeling in the machine tool industry that, to quote the recently-retired president of the MTTA, Mr. Tony Galliers-Pratt: "There are still countless persons who speak of the area of technology encompassed by machine tools in the same breath as a lawn-mower. . . .

"The industry's critics remain oblivious of its contribution to the U.K. balance of payments over the past five years . . . they are amazed at the size of the industry's annual turnover and have no idea of numbers employed by its companies. They even equate the troubles of one organisation with the whole industry."

The tour includes visits to the Wadkin factory and to A. A. Jones and Shipman. The MPs will meet Mr. George Trowbridge, new president of the MTTA, and deputy managing director of Wickman of Coventry (a John Brown subsidiary).

The party comprises Mr. W. E. Garrett, MP for Wallsend and the MTTA's Parliamentary adviser; Mr. Ben T. Ford, Bradford North; Mr. George Grant, Morpeth; Mr. James Marshall, Leicester South; Mr. Ray Mawby, Totnes; Mr. G. M. Park, Coventry North-East; Mr. Dudley Smith, Warwick and Leamington; Mr. Peter Snape, West Bromwich East; Mr. William Wilson, Coventry South-East.

Mrs. Thatcher faces Tory criticism

By Our Cardiff Correspondent

MRS. MARGARET Thatcher is to face public criticism of her leadership at a Conservative Party conference next week.

A motion regretting "that there has been little sign of the new positive and aggressive Conservatism on which Mrs. Thatcher was elected to the leadership of the party," is to be proposed at the conference of the party in Wales at Aberystwyth.

The motion will be proposed in a debate following a conference address by Mrs. Thatcher. The party's deputy leader, Mr. William Whitelaw, will reply.

The motion, on behalf of the Federation of Conservative Students, calls for the party to produce alternative strategies and not merely oppose present *Government policies.*

Teesside talks on Redcar plant threat this month

BY OUR DARLINGTON CORRESPONDENT

AN EMERGENCY conference involving industrialists, politicians and trade unionists is to be held on Teesside to discuss the threat to the British Steel Corporation's £1,500m. complex at Redcar.

The conference, provisionally fixed for June 23, is being arranged by Councillor Charles Shopland, leader of Middlesbrough Council.

Mr. Shopland has already sent a letter of protest to the Prime Minister following a report calling for the Redcar project to be shelved by the Welsh Office of the Labour Party. It says it would be wiser to invest in steelmaking at Shotton in addition to the full-scale development at Port Talbot.

Councillor Shopland said: "The steel works is vitally important for the area and the pattern of heavy industry here. I want a mass demonstration from Teesside to show how seriously we feel about this."

The North regional council of the Labour Party has also decided to ask the Prime Minister to clear the uncertainty surrounding the Redcar complex.

Local politicians say that the threat to the Teesside development is a serious one because of the strength of the Welsh lobby.

Ulster Secretary repeats pledge not to withdraw troops

BY OUR OWN CORRESPONDENT

BELFAST, June 2.

IN A BID to halt the talk in Ulster about British withdrawal and provisional Governments, the Ulster Secretary, Mr. Merlyn Rees, to-day repeated *firmly that* there would be no sell-out of Northern Ireland and no question of withdrawing troops "in a fit of pique."

Mr. Rees said he thought people were tired of wild talk about a UDI, private armies, or preparations for a provisional Government. Such talk was destructive, preyed on fear, and was disloyal.

His remarks to Belfast Rotarians coincided with the prospect of a clash between Loyalist members of the Convention and its chairman, Sir Robert Lowry, over a motion which calls for the Government to make it clear that it will discharge its responsibilities irrespective of the conclusions of the Convention.

Sir Robert has ruled that the motion is out of order because the Convention cannot discuss law-and-order matters.

The Loyalists are to raise the issue when the Convention meets to-morrow. A leading Unionist, Mr. John Taylor, said *they believed* there must be agreement on a system of control of law and order if they were to evolve any agreed system of government.

Mr. Rees, in his speech, said he did not want to see troops acting in aid of the civil power a day longer than necessary. But they were needed, and the actions of the security forces would be related to the level of any activity which might occur.

"There is no question of reducing or withdrawing troops in a fit of pique, which is almost what some people are suggesting. The Government has a concern, and intends to continue to show it, for the security, welfare and future of all the people of Northern Ireland."

There had been a change in the nature of violence, but that did not make it any more acceptable. There was still far too much internecine and inter-sectarian violence, together with what he could only call Mafia-type racketeering. This could only be controlled by patient police work, plus a contribution from the community so that its stains could be eradicated, Mr. Rees said.

The bulk of Mr. Rees' speech dealt with the economic situation and he said he intended that the Northern Ireland Finance Corporation would be restructured and given the powers and authority to fit into the new pattern of the National Enterprise Board.

"I see the revamped Finance Corporation acting very much as an agency of the NEB in any activities in which it may choose to engage in Northern Ireland, as well as conducting its own investment operations in the *Province,"* Mr. Rees said.

Delta Metal offshoot expands

By Our Newcastle Correspondent

EXPANSION BY the Watliff Company, subsidiary of the Delta Metal Group, will provide 140 new jobs at Washington New Town in County Durham in the next 18 months.

Watliff is moving two small nursery factories into a new 30,000-square foot factory where it will manufacture commutators for domestic appliances, cars and industrial motors and pumps. The workforce will expand from 20 to 160 as production is progressively built up this year and next.

Further south, though, about 20 workers are to be made redundant at the Long Eaton, Derbyshire, factory of Herberger Brookes as a result of a fall-off in orders from America.

The company, which makes piano parts, is U.S.-owned.

A third of the firm's 450-strong workforce is already on a four-day week. The workers are members of the Furniture, Timber and Allied Trades Union.

Mr. Fred Hodson, a director, said the company had held talks with union representatives. He said it was hoped orders would begin to improve by next September.

Full-scale probe planned of X-ray hazards

THE NATIONAL Radiological Protection Board is planning a two-year, full-scale survey into X-rays—the first in 17 years to investigate what sort of genetic burden is being imposed on future generations.

Dr. Stewart Rae, the Board's assistant director, said doses to individuals may be tiny but when given to millions of people they could cause a greater number of congenital abnormalities in *subsequent generations.*

"We want to get some feel for the number of these we are likely to be producing compared to 20 years ago . . . there must be a stage where society says this is too much and will restrict the use of X-ray and similar techniques."

About a quarter of Britain's 400 or so hospitals are likely to be involved in the studies in which patients will have black plastic packages stuck to their bodies to record the X-ray dose.

Use of X-ray diagnosis has increased by more than a half in the 17 years since the last survey, Dr. Rae said.

Radiation-emitting isotopes have also been introduced to diagnose conditions ranging from cancer to deep-vein blood-clots in the same period in addition to highdose Xray techniques for studying heart conditions.

However, the growth in X-rays has been matched by a reduction in the dosage as more modern equipment has come into use. The survey hopes to discover the effects of the combination of increased use with decreased dose.

Dr. Rae was speaking at the Board's new laboratories at Harwell, which are being opened by the Queen Mother to-day.

● Trials to see if aspirin can prevent patients with breast cancer from developing secondary bone cancers have started at a London hospital. Patients are being given *a specially prepared* mixture and about 100 should be taking part by the end of the year.

Dr. Trevor Powles of the Royal Marsden Hospital and the Institute of Cancer Research, said some patients were cured of breast cancer but developed secondary deposits that destroyed the bone. The trials will last for a year at least.

'MISER' IN FIGHT TO SAVE ENERGY

The Energy Department's Energy Technology Support Unit (ETSU) has set up a standing "workshop" to study problems of energy use and conservation in U.K. industry. The project — Methodology of Industrial System Energy Requirements — will be known as MISER.

It will provide a forum where experts from various bodies can discuss principles of energy analysis, and assess the effects, and needs of new technology.

F.T. Sector Analysis — Leisure Group No. 48

23.5.75

Statistics provided by data STREAM International

PRICE and PRICE PERFORMANCE

COMPANY	MKT. CAP. (£m.)	Price: Current	12-month High-Low	% Change 1 month	% Change 3 months	% Change 12 months	Index vs. Base●	% Gain/Loss on market‡: Index no.Δ	1 month	3 months	12 months
Anglia TV "A"†+	2.6	63.00	76.00- 24.00	1.6	50.0	-17.1	64	60	-3.2	12.5	-30.7
Arms Park Greyhound	0.1	75.00	125.00- 75.00	0.0	0.0	-40.0	●300	356	-4.7	-25.0	-49.8
Associated Leisure	6.1	24.00	31.50- 9.75	7.9	65.5	-17.2	116	77	2.8	24.1	-30.8
Associated Television "A"	21.9	53.00	54.00- 22.00	3.9	55.9	10.4	75	48	-1.0	16.9	-7.7
Barr and W. Arnold	0.4	40.00	47.50- 20.00	33.3	100.0	-5.9	●72	85	27.1	50.0	-21.3
Black and Edgington	6.5	130.00	145.00- 54.00	-2.3	31.3	-9.1	●195	232	-6.9	-1.5	-24.0
Boosey and Hawkes	3.3	84.00	85.00- 30.00	25.4	31.2	-1.2	139	90	19.5	-1.6	-17.4
Brighton and Hove Stadium	0.7	47.50	75.00- 25.00	0.0	26.7	-36.7	●165	196	-4.7	-5.0	-47.0
Bristol Stadium	0.4	17.50	35.00- 15.00	0.0	-22.2	-50.0	●233	278	-4.7	-41.7	-58.2
British Cinematograph	0.3	35.00	40.00- 28.50	14.8	9.4	6.1	●233	277	9.4	-18.0	-11.3
Caledonian Cinemas	0.7	170.00	245.00-170.00	0.0	0.0	-26.1	●142	168	-4.7	-25.0	-38.2
Chepstow Racecourse	0.6	540.00	140.00- 77.00	42.1	38.5	-15.0	●720	854	35.4	3.9	-28.9
J. Coral Holdings	15.9	98.00	98.00- 38.00	18.1	45.3	3.2	95	107	12.5	9.7	-13.8
Dixons Photographic	3.1	28.00	41.00- 13.00	-6.7	36.6	0.0	219	141	-11.1	2.4	-16.4
Dumpton Greyhounds	0.2	50.00	67.50- 22.50	-0.0	11.1	-25.9	●143	170	-4.7	-16.7	-38.1
Dundee Ice Rink	0.1	295.00	320.00-295.00	-3.3	-3.3	-7.8	●295	351	-7.8	-27.5	-22.9
Edinburgh Ice Rink	0.1	105.00	157.00-105.00	0.0	0.0	-16.0	●840	998	-4.7	-25.0	-29.8
EMI	183.8	195.00	195.00- 56.37	33.6	76.0	73.0	159	102	27.3	32.0	44.6
Frost and Reed	1.1	91.00	200.00- 75.00	-9.0	1.1	-54.5	●72	86	-13.3	-24.2	-62.0
Stanley Gibbons	2.5	80.00	81.00- 45.00	-1.2	33.3	9.6	53	56	-5.9	0.0	-8.4
Glasgow Pavilion	0.4	225.00	225.00-225.00	0.0	0.0	0.0	●132	157	-4.7	-25.0	-16.4
Gloucester Greyhounds	0.4	40.00	60.00- 40.00	0.0	0.0	-33.3	●399	474	-4.7	-25.0	-44.3
Gnome Photographic	0.6	25.00	36.00- 25.00	-21.9	-24.2	-30.6	●47	56	-25.5	-43.2	-41.9
Grampian TV 'A'	0.4	14.00	24.00- 9.00	0.0	55.6	-41.7	●43	51	-4.7	16.7	-51.2
Granada Group 'A'	35.8	54.00	54.00- 21.00	17.4	25.6	12.5	129	83	11.9	-5.8	-5.9
GRA Property	10.7	34.00	37.00- 11.50	21.4	51.1	-6.8	264	170	15.7	13.3	-22.1
Harrburger Brook	0.2	12.00	20.00- 10.00	0.0	0.0	-40.0	●120	143	-4.7	-25.0	-49.8
Highgate Optical	0.4	20.00	27.00- 14.00	0.0	0.0	-25.9	●114	136	-4.7	-25.0	-38.1
High Gosforth	0.5	537.50	594.50-537.50	0.0	-6.5	-9.6	●283	336	-4.7	-29.9	-24.4
Horizon Midlands	1.1	26.00	26.00- 10.00	18.2	52.9	8.3	●34	49	12.6	14.7	-9.4
Howard and Wyndham	0.4	16.00	24.00- 11.00	-15.8	0.0	-15.8	●18	12	-19.7	-25.0	-29.6
HTV N/V	1.3	21.00	43.00- 13.00	-22.2	-12.5	-51.2	●27	32	-25.9	-34.4	-59.2
Humphries Holdings	0.6	8.00	13.00- 4.00	-5.9	0.0	-38.5	25	16	-10.3	-25.0	-48.6
Isle of Man Associated	1.3	59.00	60.00- 30.00	9.3	78.8	28.3	●225	287	4.1	34.1	7.2
Ladbroke Group	40.1	173.00	174.00- 54.00	6.1	58.7	57.2	●75	841	1.1	19.0	31.5
London Entertainment	1.1	30.00	34.05- 30.00	-3.2	-6.3	-6.3	●166	154	-7.8	-29.7	-21.6
London Pavilion	0.2	150.00	215.00-150.00	-16.7	-18.9	-30.2	●146	174	-20.6	-39.2	-41.7
Madame Tussaud's	3.2	15.00	24.50- 8.50	-6.2	-6.2	-31.8	300	193	-10.7	-29.7	-43.0
Magnolia Manufacturing	0.9	51.00	51.00- 25.00	10.9	21.4	6.2	●74	88	5.7	-8.9	-11.2
Man. Agency and Music	3.6	49.00	65.00- 23.00	-12.5	25.6	-21.0	78	90	-16.6	-5.8	-33.9
MPI	1.4	10.50	14.00- 7.00	-8.7	7.7	-22.2	35	22	-13.0	-19.2	-35.0
Norton and Wright	0.9	41.00	47.50- 26.00	0.0	7.9	-9.9	●63	79	-4.7	-19.1	-24.7
Photax (London)	0.4	19.00	34.00- 14.00	-5.0	-20.8	-44.1	●54	65	-9.5	-40.6	-53.3
Photo-Me International	1.7	83.00	88.00- 82.00	0.0	-3.5	-5.7	139	89	-4.7	-27.6	-21.1
Photopia International	0.8	17.00	24.00- 10.00	-10.5	6.2	-20.9	●147	175	-14.7	-20.3	-33.9
Piccadilly Theatre	0.7	75.50	75.50- 60.00	7.1	7.1	7.8	●191	227	2.1	-19.7	-9.8
Pleasurama	1.8	28.00	44.00- 17.00	-9.7	-36.4	12.0	267	181	-13.9	-52.3	-6.4
Rivoli Cinemas	0.3	165.00	700.00-350.00	1.5	32.0	-52.9	●82	76	-3.2	-1.0	-60.6
Romford Stadium	0.5	50.00	50.00- 40.00	0.0	25.0	0.0	●222	264	-4.7	-6.2	-16.4
Samuelson Film	0.9	75.00	115.00- 70.00	-2.7	-6.4	-36.3	63	46	-7.2	-29.8	-46.9
Scottish Ice Rink	0.0	90.00	120.00- 90.00	-0.0	-10.0	-25.0	●85	101	-4.7	-32.5	-37.3
Scottish TV "A"	0.7	14.00	23.00- 8.50	-6.7	33.3	-39.1	●15	18	-11.1	0.0	-49.1
Southern Star*	1.3	25.00	55.00- 22.50	-0.0	-0.0	-45.9	●930	185	-4.7	-25.0	-54.8
Robert Stigwood	3.8	35.00	37.00- 12.00	34.6	84.2	16.7	144	125	28.3	38.2	-2.5
Totalisators	0.8	11.00	12.50- 8.00	0.0	15.8	-4.3	●220	262	-4.7	-13.2	-20.0
Trident TV "A"	7.0	21.00	24.00- 9.00	-4.5	2.4	-6.7	116	103	-9.0	-23.2	-22.0
Ulster TV "A"	0.4	21.00	32.00- 8.50	-4.5	31.3	-34.4	40	25	-9.0	-1.6	-45.1
Westward TV "C"	0.8	8.50	11.50- 6.50	-15.0	0.0	-26.1	40	40	-19.0	-25	-38.2
Winsor and Newton	3.5	120.00	125.00- 70.00	1.7	30.4	23.7	130	84	-3.1	-2.4	3.4
Zetters Group	1.5	24.00	27.50- 14.00	-5.9	29.7	4.3	●401	476	-10.3	-2.7	-12.8

DIVIDEND and EARNINGS

COMPANY	Div. per Share	Yield	Div. cover	Yield Relative to Market‡: Current	12-month High-Low	6-mth. avge.	% Deviation	Earn per Share●	P/E	P/E Relative to Market: Current	12-month High-Low	6-mth. avge.	% Deviation
Anglia TV "A"†+	6.24	15.25	2.0	275	383-200	309	-11.0	12.2	5.2	70	94- 49	64	-11.0
Arms Park Greyhound	5.00	10.26	1.2	125	165- 74	131	41.8	6.3†	12.0	162	546-162	318	41.8
Associated Leisure	2.12	13.59	1.5	245	329-181	253	-2.9	3.2¶	7.5	102	127- 73	103	-2.9
Associated Television "A"	4.89d	14.13	1.5	256	315-206	261	-1.9	7.6¶	7.0	95	129- 81	100	-1.9
Barr and W. Arnold	2.75	10.58	1.6	191	[illegible]-123	224	-14.9	4.4†	9.1	123	171- 79	129	-14.9
Black and Edgington	5.18	6.13	2.1	111	131- 69	108	2.0	11.1	11.7	159	191- 68	115	2.0
Boosey and Hawkes	3.79	6.94	4.1	125	170- 55	127	-1.0	15.5†	5.4	73	176- 69	102	-1.0
Brighton and Hove Stadium	1.98	6.41	1.7	116	133- 49	93	23.9	-3.4	-14.0	190	556-170	281	23.9
Bristol Stadium	0.38	3.38	3.5	61	61- 17	35	73.5	1.3	13.1	178	497-154	275	73.5
British Cinematograph	1.02	4.46	6.7	81	88- 42	64	25.8	6.9¶	5.1	69	182- 64	104	25.8
Caledonian Cinemas	2.55	2.31	4.1	42	42- 15	29	43.3	10.6	16.1	218	676- 81	373	43.3
Chepstow Racecourse	4.00	1.14	3.0	21	21- 0			13.3¶	40.6	551	551- 96		
J. Coral Holdings	5.45	8.56	2.1	155	161-118	159	-2.8	11.7	8.4	114	139- 68	102	-2.8
Dixons Photographic	0.90	4.96	7.9	90	98- 55	76	17.3	7.1¶	3.9	34	83- 42	64	17.3
Dumpton Greyhounds	1.14¶	3.51	0.9	63	120- 30	44	43.3	1.1¶	43.9	895	886-307	697	43.3
Dundee Ice Rink	4.20	2.19	1.8	40	40- 16	27	45.6	7.9	37.4	507	915-333	666	45.6
Edinburgh Ice Rink	0.00	0.00		0	0- 0			1.5	89.3	940	895-831	962	45.6
EMI	6.04*	4.77	2.1	76	158- 86	113	-23.6	14.3b	13.6	184	184-108	132	-23.6
Frost and Reed	5.53	9.46	3.8	171	171- 48	115	48.5	21.3†	4.3	58	151- 51	73	48.5
Stanley Gibbons	2.37	4.56	4.5	82	87- 30	72	15.0	10.6	7.5	102	242-101	133	15.0
Glasgow Pavilion	7.12	4.87	1.8	88	88- 33	61	43.9	12.5	18.0	244	981-244	334	43.9
Gloucester Greyhounds	0.71	2.74	2.2	49	49- 17	35	42.0	1.6	25.7	349	954-349	576	42.0
Gnome Photographic	2.22	13.64	2.1	246	246- 97	148	66.8	4.7	5.4	73	202- 73	137	66.8
Grampian TV 'A'	1.24g	13.67	1.5	247	349-113	207	19.0	1.9¶	7.4	100	239- 65	141	19.0
Granada Group 'A'	2.23	6.34	3.4	115	140-100	115	-0.6	7.6	7.1	96	127- 86	100	-0.6
GRA Property	1.15¶	5.19	1.3	94	122- 67	101	-7.0	1.5¶	22.8	310	400-237	307	-7.0
Harrburger Brook	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Highgate Optical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
High Gosforth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Horizon Midlands	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Howard and Wyndham	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HTV N/V	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Humphries Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Isle of Man Associated	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ladbroke Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London Entertainment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London Pavilion	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Madame Tussaud's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Magnolia Manufacturing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Man. Agency and Music	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MPI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norton and Wright	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Photax (London)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Photo-Me International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Photopia International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Piccadilly Theatre	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pleasurama	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rivoli Cinemas	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Romford Stadium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Samuelson Film	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scottish Ice Rink	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scottish TV "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Southern Star*	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Robert Stigwood	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totalisators	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trident TV "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ulster TV "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Westward TV "C"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winsor and Newton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zetters Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ACCOUNTS ITEMS (£000) and ACCOUNT ITEMS AS % OF MARKET VALUE

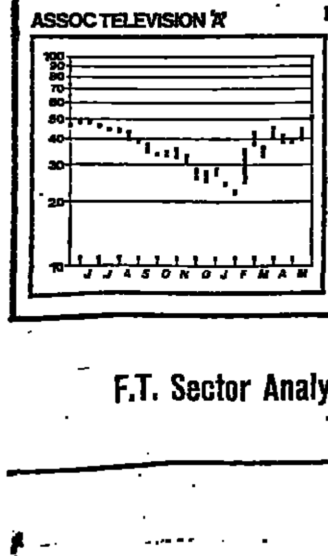
COMPANY	Sales	Pre-tax Profit	Net Cash Flow✢	Net Cash¶	Net Tangible Assets□	Equity Earnings	% Sales	% Pre-tax Profit	% Net Cash Flow	% Net cash	% Net Tangible Assets	% Equity Earnings
All companies (Anglia TV "A" to Zetters Group)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTE—Dividend yield is based on net dividand as declared, grossed up at the standard rate of 35 per cent.

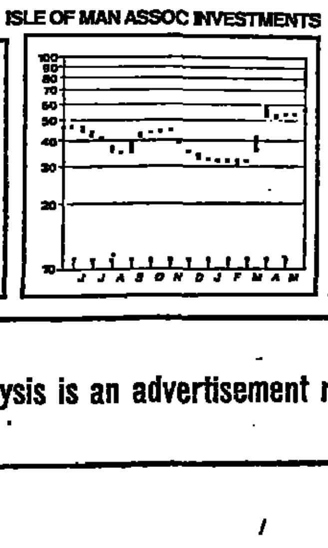
* Directors' forecast. † Preliminary figures. ‡ Statutory limit. § In Dividend column indicates dividend payment adjusted to reflect a changed interim dividend. In Earnings column figures shown in latest 12 months earnings include interim results. ¶ Scrip issue. ‡ Market equals top 1,000 shares. ● Price index is share price converted unto an index shown by current price as percentage of base date adjusted for capital changes. Base dates January 1, 1965, unless otherwise stated. Base date January 1, 1969. Δ Price index as percentage of market price index. ● Earnings calculated on net imputation tax basis and include contributions from Associate Companies. ✢ Net cash flow—Depreciation plus retained earnings adjusted where necessary to reflect a full year under imputation tax system. ¶ Net cash and securities are net figures for amount of cash, securities, loans, etc. (not trade investments) minus overdraft. □ Net tangible assets include land, buildings, plant, machinery, etc. at balance-sheet value less depreciation and prior charges plus goodwill. b A maintained rate is assumed unless accompanied by a forecast. d Interim reduced. Final assumed to be maintained unless forecast made. †† Profit figures are annualised. 16-month period. g Interim passed or consideration deferred. Last year's final is assumed to be maintained unless forecast is made.

Graphs illustrate the Individual Share Price movements over the previous 52 weeks.

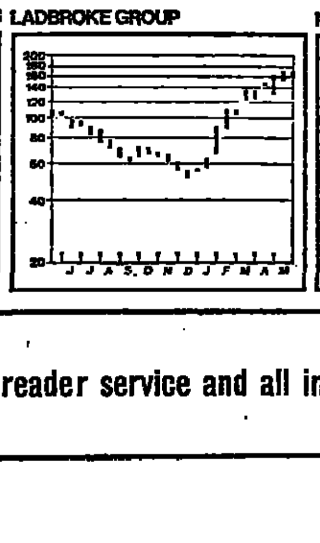
ASSOC TELEVISION 'A'



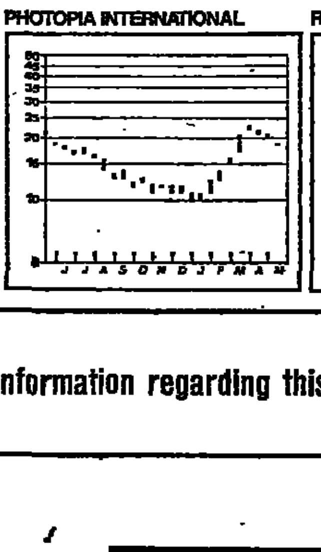
ISLE OF MAN ASSOC INVESTMENTS



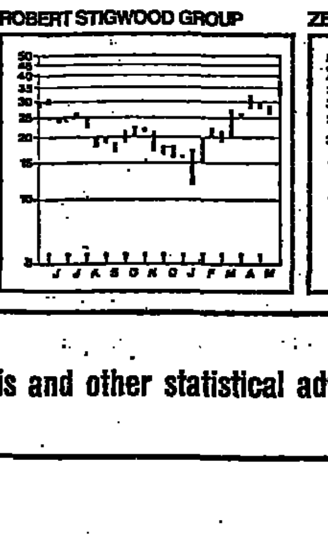
LADBROKE GROUP



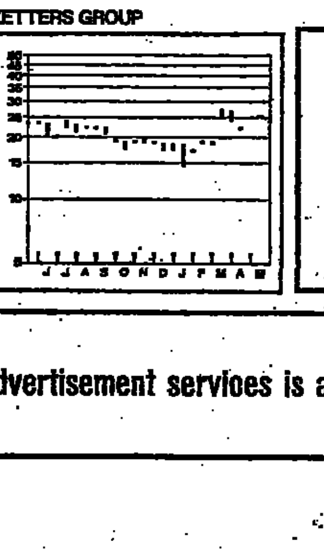
PHOTOPIA INTERNATIONAL



ROBERT STIGWOOD GROUP



ZETTERS GROUP



It'll come as a comfort if you have to sell the Rolls.

Life seems to be getting even tougher at the top.

A couple of Mayors we know have had to pension off their Daimlers.

Film stars and businessmen alike have traded in their Jags and Mercedes.

And now even the odd Rolls owner is having to part with his pride and joy.

Where are they turning for consolation?

We're delighted to report that many of them are turning to our Ford Granada Ghia.

You see, the Granada Ghia manages to keep them in the style to which they've been accustomed. Yet it costs about £1,000 less than some of its prestige rivals.

That could cover your petrol bill for the next two to three years.

Better still, the Granada Ghia will save you money every time you drive into a garage. Ask 'Motor' magazine.

They tested the Ghia and some of its competitors and came up with these figures for overall fuel consumption.

Ford Granada Ghia, 19.4 mpg. Jaguar XJ6, 15 mpg. Fiat 130, 14.4 mpg. Mercedes 450SEL, 14 mpg.*

But to make these savings do you also have to make sacrifices?

Not as many as you might think. For a start, you'll still be driving in an atmosphere of peace and seclusion.

The Granada Ghia's interior is lined with soundproofing. Then faced with the same cloth that covers the seats.

You won't be disturbed by a noisy transmission. The automatic is so quiet you'll have to keep an eye on the rev counter to catch it in action.

Nor will you have to forfeit deep-pile carpet. Or heavy underlay.

You'll still have door cappings and facia of real wood. Admittedly, it's not the stuff found in a Silver Shadow. But it is real walnut, from a forest, not a factory.

You'll still have performance.

Ford's 3-litre V6 engine will take you from 0 to 60 in just 10.5 seconds. Top speed, 110 mph.*

You may be wondering if the motoring press shares our enthusiasm.

'Autocar,' rarely generous with its praise, had this to say in one of their Test Extras.

"By comparison with some other cars in a similar capacity class, the Ford Granada Ghia offers truly exceptional value and comfort."

We hope their opinion at least persuades you to take one for a test run.

If it doesn't, perhaps your accountant can.

GHIA Ford

Granada Ghia maximum price £3,761 including Car Tax, VAT at 8% and DELIVERY to your Ford Dealer (excluding N. Ireland). Seat belts, number plates and metallic paint at extra cost. Prices correct at time of going to press. *'Motor' road tests–Automatic transmissions.

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In close co-operation with the British Importers Confederation, Trade Research Publications has just published the first ever Directory of British Importers. Response to the initial promotion and introductory offer has been good and nearly 50% of the initial printing has been sold. A sales agreement has been reached with an agent in the United States and the publishers wish to extend their sales activities in Britain and elsewhere in the world.
Agents with established connections are invited to send for promotional literature and full information from
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The Company
1. Is a market leader within its own product range.
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APPOINTMENTS

Two new directors for Hopkinsons Holdings

Mr. F. R. Bentley, a solicitor, and Mr. Jeffrey J. Collins, a partner in Associated Non-Executive Directors, have been appointed non-executive directors of HOPKINSONS HOLDINGS.

★

Dr. J. Jack has become director of central research, CIBA-GEIGY (U.K.), following the recent appointment of Dr. J. Grigor as managing director of the company's industrial chemicals division.

★

Mr. R. W. N. Danielsen has been appointed a non-executive director of LUKE ANTHONY.

★

Mr. J. R. Stevenson, a director of TAC CONSTRUCTION MATERIALS, will be retiring on June 30. The company is a subsidiary of Turner and Newall.

★

The Earl of Elgin has become the president of the ARTHRITIS AND RHEUMATISM COUNCIL in Scotland.

★

Mr. Damon P. de Laszlo has been appointed deputy chairman of BENSON'S HOSIERY HOLDINGS, a subsidiary of the Tranwood Group.

★

Mr. Derek Millis has been appointed group finance director of SLOUGH ESTATES. For the past nine years, Mr. Millis has been treasurer with the Electricity Council.

★

Mr. P. Howarth, secretary of SHEEPBRIDGE ENGINEERING, has been appointed to the Board.

★

Mr. Bob Procter has joined the Board of CONDER HARDWARE.

★

Mr. C. H. Tidbury is to join the Board of WHITBREAD INVESTMENT COMPANY.

★

Lord Harvey of Tasburgh has joined the board of ENGLISH TRANSCONTINENTAL, merchant bankers, as chief executive director.

★

Mr. Kenneth Chipperfield has resigned as managing director of VITRAMON and has been succeeded in that position by Mr. Robin Sparkes.

★

Mr. George Hodgson has been appointed managing director of AEROSOLS INTERNATIONAL, of the Jeyes Group. He succeeds Mr. Clive Thompson, who has taken over as managing director of the group's subsidiary, Jeyes UK.

★

Mr. B. G. S. Marzano has become managing director of BETZ. He succeeds Mr. S. P. Walker who is to concentrate on the management of company's European operations.

★

Mr. A. B. Carlaw has become joint managing director of DAVID CARLAW AND SONS and CARLAW CARS in place of Mr. J. S. Carlaw, who has relinquished the positions, at his own request, but continues as a director of those concerns and of other companies in the group.

★

Mr. J. M. Shaw, service director of COLSTON APPLIANCES has retired. Mr. Donald Campbell continues as service manager and Mr. D. J. Austen takes over as director in charge of service.

★

Mr. Harry Garnett has been appointed chief executive of CONSULTANTS IN INTERNATIONAL DISTRIBUTION PLANNING which trades under the title of CIDP. It was formed in 1973 by Transmark, British Leyland Motor Corporation and the National Freight Corporation to specialise in distribution planning.

★

P & O Shiprepair and Engineering has made two appointments to the Board of SILLEY COX AND CO. They are Mr. D. W. Pascoe, as commercial director, and Mr. T. Williams as a non-executive director.

★

Mr. A. Thompson, at present an Under Secretary in the DEPARTMENT OF EDUCATION AND SCIENCE, has been appointed a Deputy Secretary in that Department from September 1. The post which will become vacant on the retirement from the public service on August 31 of Mr. P. R. Odgers, the Deputy Secretary in the Department of Education and Science responsible for science.

★

Mr. K. G. Corfield has been elected chairman of ITT CREED. Dr. F. W. Stoneman, managing director, has additionally been elected deputy chairman. Lord Penney and Mr. D. A. Kennedy have joined the Board.

★

Dr. B. J. A. Bard has been appointed as a non-executive director of BELLARD INVESTMENTS.

★

Mr. George Randall is to become managing director of the PROVINCIAL INSURANCE COMPANY on June 1. He will succeed Mr. Neil Procter, who retires as managing director at the end of this month but will remain a non-executive director.

★

Mr. Peter Thompson has been appointed deputy managing director of the ENERGY EQUIPMENT COMPANY. He was previously director in charge of the company's Midlands operations.

★

Mr. Takuji Matsuzawa, deputy president of the FUJI BANK, will succeed Mr. Kunihiko Sasaki as chairman of the Board and president. Mr. Sasaki will become honorary chairman. The bank has increased the number of its deputy presidents from one to two. Managing directors Mr. Ryuzo Shibata and Mr. Yoshiro Araki will become deputy presidents. Mr. Yoshizane Iwasa, chairman of the advisory committee, is to be counsellor.

★

Mr. I. G. Cottle is to join the Board of MARTINI AND ROSSI as deputy managing director from July 1.

★

Mr. Norman Elliott has been elected chairman of the Built-in Unit Section of the BRITISH WOODWORK MANUFACTURERS ASSOCIATION. Mr. Elliott and Dr. R. Humphreys have joined the BWMA Council.

★

Mr. C. G. Burrows is to become general manager and chief executive and Mr. W. R. Treen, deputy general manager, of the CORNHILL INSURANCE COMPANY. Both will be appointed directors of the company at the July Board meeting. Mr. John West has resigned as general manager and will leave at the end of this month.

★

Mr. Robert Wadsworth, chairman of the British Code of Advertising Practice Committee, has been appointed to the Advertising Advisory Committee of the INDEPENDENT BROADCASTING AUTHORITY. He succeeds Mr. Shirley Rainer who has retired from the AAC. Dr. Peter Emerson and Professor Harry Keen have joined the Authority's Medical Advisory Panel.

★

Mr. B. A. Crowe has been appointed to the Board of MORICE TOZER & BECK (INTERNATIONAL).

★

Mr. K. D. Bridger, Mr. S. S. Marshall and Mr. D. P. Trezies have been appointed directors of C. E. HEATH AND CO. (INSURANCE BROKING).

★

BANCO CENTRAL SA, Madrid, has made the following appointments to its London branch: Mr. F. Diez-Alegria and Mr. M. F. Deller, managers; Mr. G. De Lacalle, assistant to the managers; Mr. W. G. Hodges, exchange controller and staff administrator; Mr. I. S. Howie, chief dealer; Mr. L. J. Phipps, operations officer; and Mr. M. D. C. Pope, chief cashier.

★

Mr. S. R. Arnold, Mr. R. J. B. Edwards, Mr. J. H. Howes, Mr. C. W. Keey, Mr. R. F. Mabbott and Mr. R. W. Pettitt, are to become directors of MINET HOLDINGS from July 1.

★

Sir James Whitaker has been appointed a director of the MOORSIDE TRUST and of its subsidiary Second Moorside Trust.

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TV Top 20

Week ended May 25

			Homes viewing (m.)
1	It's a Knockout	BBC	8.25
2	The Black and White Minstrel Show	BBC	7.93
3	The Main News and Weather (Friday)	BBC	765
4	Edward VII	ATV	7.55
	The Val Doonican Show	BBC	7.55
6	The Harlem Globetrotters	BBC	7.50
7	Bless This House	Thms.	7.40
	Spy Trap	BBC	7.40
9	Crossroads (Thursday)	ATV	7.30
10	Cannon	BBC	7.25
11	Wonderful World of Disney	BBC	7.15
12	Dodge City	BBC	7.05
13	Special Branch	Thms.	7.00
14	Crossroads (Wed.)	ATV	6.95
15	Sing a Song of Emu	BBC	6.75
16	Love thy Neighbour	Thms.	6.70
	Panorama Special (Friday)	BBC	6.70
18	News at Ten (Tuesday)	ITN	6.65
	Coronation Street (Wed.)	Gran.	6.65
20	Crossroads (Tuesday)	ATV	6.45

Figures compiled by Audits of Great Britain for Joint Industry for Television Audience Research.

CINEMAS (Cont.)

ODEON ST. MARTIN'S LANE (836 0691). 1811) Claude Lelouch's AND NOW MY LOVE (Tout Une Vie) (X). Sep. progs. Wk. 1.00, 4.30, 8.00. Sun. 4.30, 8.00. All seats bkble.

PLAZA 1 & 2, Lower Regent St. All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. PLAZA 1: Progs. 2.45, 7.30. PLAZA 2: Progs. 2.15, 7.15.

PRINCE CHARLES, Leic. Sq. 437 8181. The Sensation of London EMMANUELLE (X). Sep. Perfs. Daily inc. Sun. 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats bookable. Licensed Bar.

SCENE 1 & 2, Leic. Sq. (Wardour St.) 439 4470. Sep. Perfs. Dly. from 12.30. Late Show Fri. and Sat. YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45, 12.05.

SCENE 3, Leic. Sq. (Wardour St.) 439 4470. THE TOWERING INFERNO (A). Sep. perfs. Dly. inc. Sun. 2.00, 5.20, 8.40. Special Late Show 11.45 Nightly. A BIGGER SPLASH (X). Seats bookable.

SCENE 4, Leic. Sq. (Wardour St.) 439 4470. 2nd YEAR. The Film Everybody's Talking About. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.15, 2.50, 6.15, 9.00, 11.30. Box Office Open Daily 10-8. Sun. 12-8. Seats Bookable—All Perfs.

WARNER WEST END, Leicester Square. Tel. 439 0791. 1. IT'S ALIVE (X). Cont. Progs. 2.40, 4.35, 6.35, 8.35. LAST TWO DAYS. 2. Steve McQueen, Paul Newman, THE TOWERING INFERNO (A). Sep. Progs. 1.15, 4.35, 8.00. £1.60 seats bkble. 3. Jack Lemmon, Anne Bancroft, THE PRISONER OF 2ND AVENUE (AA). Sep. Perfs. 2.30, 5.30, 8.30. All seats bookable.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. MASTER PAINTINGS—An Exhibition of Recent Acquisitions. Until 4 July. Mon.-Fri. 9.30-5.30; Thurs. 9.30-7.00.

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APPOINTMENTS

BOND DRAWING

NOTICE TO HOLDERS OF LAND BONDS

NOTICE IS HEREBY GIVEN that a drawing of the undermentioned series of Land Bonds was conducted by the Central Bank of Ireland Dublin, on 5th-8th May, 1975 and the following amounts of Bonds were drawn for redemption at par on or after 1st July, 1975:—

	£
4½% New Land Bonds	8 200
4% Land Bonds	135 200
3½% Land Bonds	19 100
3% Land Bonds	7 000
4½% Land Bonds	3.500
5% Land Bonds	3.300
5½% Land Bonds	2 600
6% Land Bonds	27 600
6½% Land Bonds	5.300
7% Land Bonds	8 750
7½% Land Bonds	63 700
8% Land Bonds	3 500
9½% Land Bonds	46.400
9¾% Land Bonds	100.200

Particulars of the draw numbers of the Bonds drawn are published in a Supplement to "Iris Oifigiuil" on 23 May, 1975 which may be obtained from the Government Publications Sale Office, G.P.O. Arcade, Dublin 1 or through any bookseller. Copies of the Supplement have been supplied to the Stock Exchanges in Dublin, London and Manchester and may also be inspected at the Irish Embassy, 17 Grosvenor Place, London S.W.1. Bondholders concerned will be advised in due course by the Central Bank of Ireland and supplied with forms of application for the principal moneys payable.

Dept. of Finance,
Dublin 2.
27 May, 1975.

CORPORATION LOANS

COMPANY NOTICES

TO THE SHAREHOLDERS OF GRANGES AKTIEBOLAG

The proposal of the Directors to pay a dividend of Sw.Kr.11.00 per Share of Sw.Kr. 100 for the financial year ended 31st December, 1974 was approved by the Shareholders at the Annual General Meeting held in Stockholm on 29th May, 1975. The record day for the distribution of the dividend is 2nd June, 1975, and the dividend is expected to be remitted from the Securities Register Centre on 9th June, 1975 to those Shareholders whose names are entered in the Shareholders' Register or the List of Assignees appertaining thereto on the said record day.

Under the Double Taxation Agreement between the United Kingdom and Sweden, the Swedish tax paid by the Company is allowable as a credit against the United Kingdom tax payable in respect of the dividend.

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PERSONAL

CONTRACTS AND TENDERS

'Dangers of Scots yes vote'

By Chris Baur

LEADING anti-Marketeers in Scotland yesterday reopened the controversy about Scotland's proposed elected assembly. They predicted that a Scottish "Yes" vote would virtually "kill off" the policy of devolving meaningful powers from Wesminster to a Scottish Assembly and would thereby precipitate a political crisis north of the border.

The charge was made in Glasgow by the Scottish Office's devolution Minister, Mr. Harry Ewing. Supported by Mr. James Milne, general secretary-designate of the Scottish TUC, the junior Minister's statement was a more forceful repetition of his warning last week, for which he was rebuked by Mr. Edward Short, Leader of the House, who heads the Government's devolution unit.

Mr. Ewing said that a Scottish "Yes" vote, which two Scottish newspaper polls now predict, would mean "the cause of devolution would be set back very substantially indeed."

Opponents of devolution were "waiting in the wings" for a favourable EEC vote in Scotland and would then start "a massive campaign to stop the process of devolution altogether," he said.

Inside the EEC, the prospects for devolving such key functions as industry, manpower and taxation policies would be "almost nil."

Against this background, he claimed, a Scottish "Yes" vote would be taken as an indication that devolution had become a secondary consideration in Scotland. Anti-devolutionists wanted just such a cause to "kill off the devolution argument." This, in turn, would create a political crisis for Scotland.

Mr. Ewing expressed "surprise" at Mr. Short's assertion last week that a Scottish "Yes" vote would not put difficulties in the way of devolving meaningful powers to an assembly.

At a pro-Market rally in Glasgow, Mr. Short stated that the Government's plans for devolution to Scotland and Wales had assumed continued British membership of the EEC, and would therefore not be upset by a favourable Scottish vote.

Mr. Milne explained, however, that EEC membership raised serious questions about the continuation of policies which were important to Scotland, such as the power of the proposed Scottish Development Agency. "EEC membership is incompatible with devolution" he stated.

HEATH-SHORE TV BATTLE
Viewers lucky to get word in edgeways

BY JOHN BOURNE, LOBBY EDITOR

MR. EDWARD HEATH and Mr. Peter Shore, the Trade Secretary—pro and anti—went at it hammer and tongs for 45 minutes on ITV yesterday.

Indeed, at times, the chairman of ITN's First Report, Mr. Robert Kee, had difficulty in getting the questioners—panels of local people in Birmingham and Cardiff and telephone callers—to be heard.

The claims and arguments of the protagonists followed so fast that it is understandable why many electors do not find it easy to grasp the real issues of the campaign.

Many of the exchanges were of the "Yes, we can" and the "No, we can't" species of argument. Neither Mr. Heath nor Mr. Shore were polite to each other.

Mr. Heath told a GKN-Sankey executive in Birmingham, who complained that EEC customers had said they would not buy from his company if Britain left the Market: "You are right. If we bail out of Europe, you will lose trade and jobs. Mr. Shore is not a businesman and doesn't know."

Brushed aside

Mr. Heath brushed aside the Minister's belief that Britain would be able to negotiate a free trade agreement with the EEC on EFTA lines. But Mr. Shore accused him of "scare talk of the most contemptible kind."

The former Tory leader said he did not think Mr. Shore knew what he was talking about. Mr. Shore came back: "I know more than you do."

"Nonsense!" Mr. Shore interjected, as Mr. Heath made another point.

The Minister then rejected Mr. Heath's argument that the EEC was founded to prevent a repetition of pre-war unemployment leading to mass tyranny and war. This, said Mr. Shore, was "a wholly bogus rationalisation of the Treaty of Rome you signed."

Although noticeably not supporting Mr. Wedgwood Benn's figure of 500,000 jobs lost through British membership, Mr. Shore argued that many British goods—particularly cars—were now being supplied by Continental competitors.

Mr. Heath rapped back that our people began buying foreign cars—"a large number of them Japanese and not EEC-made, because of our own industry's labour disputes.

"British Leyland's trouble was the product of a mis-amalgamation by a Labour Government, and of constant industrial disputes."

Mr. Shore: "It's patent nonsense to say that our economic difficulties would be affected adversely by a 'No' vote. Our crisis is associated with membership of the EEC, and withdrawal won't produce the bogey and flesh-creeping anxieties claimed by the pro-Marketeers."

Mr. Heath: "You are wrong. If we bail out, the rest of the world would say our future is bleak. We would lose markets and then what would holders of sterling do? Sterling will be in danger."

It was Mr. Shore's turn when Mr. Heath reiterated that a "No" vote would not be binding on the majority of MPs, who believed in membership of the EEC.

"And Mr. Heath is the man who pledged the full-hearted consent of Parliament and people," said the Minister. "Now he says he will not accept the word of the people."

The programme ended with the two politicians talking across each other in a jumble of words and rising irritation.

HOW THE VOTE WAS WON

From the land of the "No" vote . . . Mr. Arne Haugestad, leader of the Norwegian People's Movement against the EEC, discusses tactics with Mr. Christopher Frere-Smith, chairman of "Get Britain Out," at a Press conference yesterday. Mr. Haugestad claimed that Norway's decision had enabled its people to regain their self-confidence, and those who had voted "Yes" now preferred not to talk about it.

'Stay in' call by industry

By Our Industrial Staff

THE PROBLEMS that U.K. industry would face over European technical, fiscal and legal harmonisation outside the Common Market are highlighted in a pro-European message to the employees of Pilkington Brothers, the glass makers.

Sir Alastair Pilkington says: "If the standards agreed by the EEC after full discussion by its members were not implemented by the U.K. because, as non-members, we had not been an equal voice and the standards therefore failed to consider our opinion, then our competitive position as a motor industry supplier would be undermined.

"Outside the EEC, too, our developing export business to the EEC in fields of special products for aerospace and railway uses would be put at a dangerous disadvantage."

A similar view is expressed in a personal letter sent to the homes of the 84,800 employees of Guest Keen and Nettlefolds, Britain's biggest engineering business, by chairman Mr. Barrie Heath. He says that possibly as much as 20 per cent. of GKN's trade could be "at risk" if Britain withdraws."

U.K.'s mood of despair: Powell

FINANCIAL TIMES REPORTER

A MOOD not far from despair had grown over Britain during recent years, Mr. Enoch Powell, Unionist MP for South Down told a Birmingham press conference yesterday.

He added: "The fact that, even under duress and without "the full-hearted consent of Parliament and people," the U.K. could ever have gone through the motions of adhering to the EEC is the most striking symptom of this moral collapse.

"A few years earlier it would have been held unthinkable that Britain could dispossess itself of its political independence and enact the superior right of external authorities to legislate, tax, spend and judge within this realm."

"The nation is deliberating this week whether it will assent to that act of abnegation and thus, so far as in it lies, render the moral collapse of Britain irreversible.

"Unless Britain on Thursday overturns the verdict provisionally passed upon itself, we shall remain part of the European Community not because we believe in it and in our own future within it.

"We shall be remaining as reluctant but passive prisoners, who obey the admonition of those who say to us: "You're inside now and you cannot get out; for good or ill you must put up with it for ever.

"These same people, who dare talk about the dishonour of breaking a treaty—something which in any case would not be involved in Britain taking steps duly and formally to terminate its membership of the EEC—are themselves committing a far more dishonourable act.

"They are either deliberately concealing the real nature of the Community from the electors or else they are advocating that we should belong to it and reap the alleged advantages with no real intention of conforming to its fundamental rules or accepting its proclaimed purpose."

Then Mr. Powell said: "It is not true that the other parties to the Community have not lost, and will not lose, their political independence and national identity.

The only way Britain will reassert herself again, he said, "is in self-reliance, a self-reliance defiantly sought and asserted.

Wilson pledges steel expansion

By Justin Long

MR. HAROLD WILSON last night pledged expansion of the steel industry and effective Government control over private investment in steel—and in doing so he renewed his recent hint that the remaining private sector of the industry might well be nationalised.

Britain was studying exactly how the other member-countries of the EEC had dealt with this problem of investment in their own steel industries.

If these means were to fail—"and I do not expect them to fail," said Mr. Wilson, speaking in Glasgow, "it would be a question of treaty revision."

Devoting a major part of his pro-Market speech to the Government's determination to solve the difficulties of the steel industry, the Prime Minister emphasised that its problems could not be ascribed to Britain's membership of the EEC.

Indeed, the Community had moved quickly to provide help for some of the hardest hit areas and sectors of British steel, he maintained.

He underlined recent statements on the Government's willingness if it considered it necessary to extend nationalisation of the present private sector of the steel industry.

There was nothing in the founding treaties of the Market which could "prevent us from taking over the whole of the residual private sector into public ownership if the Government and Parliament . . . thought that was right," said Mr. Wilson.

Frankly admitting there had been a problem about steel, he blamed it largely on the terms of entry negotiated by the Tories in 1971. These had scrapped our powers over private investment in the industry.

The activities of foreign private enterprise in South Wales had aggravated the recent difficulties there, Mr. Wilson said, in an indirect reference to the BSC's redundancy problems.

"In our view the freedom of private investment, when there is tight control of public investment even involving closures, is intolerable.

The studies for dealing with these investment problems included action on administrative lines such as informal controls, planning controls, IDC controls—"the lot," Mr. Wilson added.

Nothing was happening in Europe to prevent the British industry producing the steel it wanted to. Cuts in production and resultant cuts in employment, came not from Brussels, but from the current level of demand for steel.

CAMPAIGN NOTEBOOK — BY MICHAEL DIXON

A Murray quip

LEN MURRAY produced an unexpected remark—a very rare thing—during one of the daily London Press conferences yesterday. Appearing for the antis, he declared that his chats with people up and down the country led him to believe that the majority would note No.

Up popped a questioner wondering how typical were the people the TUC general secretary had chatted with. "Well," he replied, "they may not have been very representative: they were mainly trades unionists and their wives."

★

WHAT MIGHT have been a Freudian slip occurred at the pros' Press conference a bit earlier. Keen European Eirlys Roberts, deputy director of the Consumers' Association, was praising the EEC's draft programme on consumer affairs. "The EEC commissioner responsible (Signor Scarascia-Mugnozza) was modest about the programme," she read carefully from her prepared text. And then she added ad lib: "which is unusual for an Italian."

★

THE DAILY MIRROR, having challenged Anthony Wedgwood Benn to substantiate his claim about 500,000 lost jobs, is evidently somewhat annoyed that his only reply has been: "I can't help it if the Daily Mirror doesn't like it. The Daily Mirror is run by rich people. They talk about 'Forward with the People' when what they really mean is the nude on Page Three."

"We know," the Mirror snorted back at him yesterday, "you get your wires crossed and blow a fuse sometimes. But you really shouldn't confuse the Mirror with a certain less-popular imitation."

And to prove it, the Mirror devoted Page Three to the smiling Osmonds and Bay-City-Rollermania. The nude—model Jilly Johnson—did'nt appear until page 21.

★

TO-NIGHT the television cameras will be on the referendum debate in the Oxford Union, which is expected to show a large Yes majority.

Last night John Randall, president of the anti-EEC National Union of Students, told the public not to be fooled into thinking that the Oxford Union was representative of public opinion.

It wasn't even a union in the sense that the term is normally understood, he said in Sheffield. "It is a private debating club. Its members are characterised by sufficient personal wealth to afford very high membership fees. . ."

Personal wealth—or poverty—of course has no bearing on whether students join Mr. Randall's union. All of them are effectively forced to, with the fees being deducted from their grants before the students ever see them.

هكذا من الأصل

Import curb powers vital, says Murray

BY DAVID LASCELLES

MPORT CONTROLS were a ecessary part of Britain's trad-ig armoury and a way of pre-erving employment, but they ere anathema in the EEC, ir. Len Murray, general secre-ury of the TUC, told the anti-arket Press conference yester-ay. Britain must retain the ght to use them, he said.

Brushing aside the threat of taliation, Mr. Murray declared at import controls were prefer-ble to deflation as a way of ckling Britain's trade problems. his way, industrial output and bs would be preserved.

But he stressed that controls ould not be a way of life. They ere only a small part of the cture and should only be used special circumstances.

When it was pointed out that aly—an EEC member—had stricted imports, Mr. Murray greed that this was possible under the Treaty of Rome. But the Brussels Commission could inhibit trade in other more important ways.

Mr. Murray also attacked the Treaty principle prohibiting interference in the free movement of capital. Britain needed the National Enterprise Board to guide funds where they were needed. Why should it have to get permission from Brussels for that?

Investment and trade meant jobs, he said. "If the choice is between using British funds to create jobs in Britain and jobs on the Continent, we vote for jobs here for British workers. So a No vote is a Yes vote for more jobs in Britain."

Mr. Murray's partner on the platform, Mr. Albert Booth, Minister of State at the Department of Employment, said that Britain's deficit in trade of manufactured goods with the rest of the EEC was threatening employment. Some 616,000 jobs had been lost in manufacturing during the last four years, and the EEC was partly responsible.

It was true, as the pro-Marketeers had earlier claimed, that employment in manufacturing was declining in other countries, but the trend was steeper in Britain.

Britain had a surplus in trade of manufactured goods with non-EEC countries, and this was where the future lay.

Asked how the TUC would react to a Yes vote, Mr. Murray said it would accept the referendum result. But he warned that the social contract might suffer from the Government's obligation to take orders from Brussels which might prevent it keeping its side of the bargain.

Time has come to step out of the cage—Shore

BY IAN DAVIDSON

HE QUESTION facing the ritish people, said Mr. Peter hore, Trade Secretary, last ght, was whether they would content as a sullen nation to ttle at the bars of the Common Market cage, or having at st been given the key, they ere prepared to open the door nd step out again in dignity and eedom.

Mr. Shore was winding up the ti-Market case in a two-hour levision debate staged by ranada TV, which featured 12 the most prominent politicians the two sides of the campaign.

Notable by his absence was Mr. nthony Wedgwood Benn, Secre-ry for Industry, who apparently bjected to a seating arrange-ent which divided the partici-ants along Common Market ather than party lines.

Vigorous

Mr. Shore claimed that Britain as being asked to renounce its eedom as a country, to nounce the rights of Parlia-ent, and to subject itself to e superior authority of a ritten constitution, the Rome reaty.

"And for what? For greater osperity? Ha Ha!" he exclaimed. "Never has our prosperity been in greater peril than it is to-day."

Mr. Shore's speech provided the first crackle of electricity in a debate which had been good-humoured, with even Mr. Enoch Powell remaining totally calm.

Mr. Shore's argument that Britain would lose sovereignty by remaiing in the Community was vigorously countered by Mr. Edward Heath and Mr. Roy Jenkins, Home Secretary, who claimed Britain would gain from pooling its sovereignty with the other member-States.

Winding up for the pro-Marketeers, Mr. Jenkins asked whether it was seriously being argued that British influence in the world was greater than that of France or Germany, which had been in the Community for 18 years.

To Overseas Development Secretary Mrs. Judith Hart's plea that Britain should continue to have a voice of wisdom in the world, the Home Secretary said that, to be effective, Britain's voice had to be heard as well as wise.

Mr. Neil Marten claimed the Community was on the way to becoming a federal State, and that the veto in the Council of Ministers would disappear.

Mr. Heath replied that we were not going to see a federal Europe, while Mr. Roy Hattersley maintained that the veto was "alive and well and living in Brussels."

Surprising

But perhaps the most surprising intervention in the sovereignty argument came from Mr. John Davies, who sharply queried Parliament's role in controlling domestic British legislation.

"I would ask in what respect, in terms of our home affairs, Parliament has been so remarkably effective?

"We have seen, for good or ill, vast changes in taxation carried through against strong views and strong wills expressed on both sides of the House, and we have seen that happen with Parliament having a negligible effect on the decision of the executive.

"I sit regularly in Parliament, whittling away as it thinks at the very fringes of legislation, but actually not affecting the fundamental issues. It is these fundamental issues that it can affect through its Ministers on Community matters."

'Deep divisions if verdict is No'

BY JUSTIN LONG

RO-MARKET leaders yesterday idened the recent excursions ver the need for national unity ith blunt assertions that a No" vote on Thursday will ave the nation deeply divided nd momentous issues still un-cided.

This was the message of Mrs. irley Williams, Prices Secre-ry, and Sir Christopher Soames, itain's EEC Commissioner, at e London Press conference of itain in Europe.

The pro-Market spokesmen left doubt of their confidence of e nation's response to the need consolidate our partnership th Europe.

Outside the EEC our economic oblems would become "near possible," Mrs. Williams aimed.

We would have offended our rtners in the Community, jected the advice of our Com-onwealth friends, and rejected at of our U.S. ally.

"Above all, we would be start-g all over again, deeply divided out where we wanted to go. It hard to swim in a stormy sea. t it is infinitely harder if one s a stone round's one's neck st."

But this appeal to end divi-ons did not extend to a call for a coalition at home. Pressed by questioners, Mrs. Williams underlined her belief that it was "just silly" to contend that co-operation on common objectives meant that one advocated a coalition.

She did not think a coalition was either practical or that it would be a good thing even if one could be formed.

Sir Christopher wanted to nail the "myth" that the European Community is an inward-looking protectionist bloc with aid and development policies concentrated only in a section of Africa.

This image was a travesty of the truth, Sir Christopher declared.

With rumbles in the Press about high-powered advertising and public relations experts "dominating" the Britain In Europe campaign, Miss Eirlys Roberts, deputy director of the Consumers' Association, presented a different side of the picture to the conference.

The EEC was working on a programme that might be called a "Great Charter" for consumers. And as for advertising, the Commission was working on the draft of a directive (that is, a law) to deal with misleading advertising, said Miss Roberts.

Heffer talks of call-up threat

Financial Times Reporter

THE Left-wing anti-Market MP Mr. Eric Heffer, speaking in his Walton constituency at Liverpool last night, claimed that under Article 224 of the Treaty of Rome, dealing with internal disturbances affecting public order, conscription could eventually be reintroduced in Britain. There was also a direct threat of internal interference in the country's affairs.

"In raising this important matter, it is not done to exaggerate the situation," he said. "There is no immediate likelihood of conscription, but it could happen. I accept that there are people who believe it would be a good thing. Well, let them convince the British people and get a British government to agree with it, not have it slowly imposed by possible future EEC policy."

Interference

Mr. Heffer added that if Britain voted to stay in Europe, he would introduce as soon as possible a Private Member's Bill seeking to ensure that Article 224 should not be held to justify the invasion of the U.K. by the armed forces of any nation, whether a co-signatory of the Treaty or otherwise, for the purpose of allegedly implementing it. His proposed Bill would also cover non-interference in any matter concerned with elections under the Representation of the Peoples Act, any internal dispute, strike or other industrial action.

Soames gives warning on 'siege economy'

BY REGINALD DALE

R CHRISTOPHER SOAMES, itish Vice-President of the C Commission, yesterday unched a frontal assault on vocates of a "siege economy" an alternative to Common arket membership.

"The fact of the matter is that all the countries in the world itain is the last which could osper on the basis of a siege onomy," he said in London.

Sir Christopher told the rman Chamber of Industry d Commerce—presumably con-ced free traders—that the iege" solution was "crazy" d totally counter to British erests. Four facts must be nembered he said:

1—Britain was a highly lustrialised country with a pulation several times the mber it could support on a sis of self-sufficiency.

2—Britain had to export more n 10 per cent. of what it pro-ced to pay for essential ports. Advocates of a siege onomy could not seriously lieve that the U.K. could close markets to the exports of ner countries without invoking taliation against British ports.

—A siege economy would pro-ke the withdrawal from London most of the thousands of millions of pounds Britain had borrowed to balance the books and maintain consumption and investment.

4—In the longer term, a Britain that had cut itself off from the EEC could not hope to attract the international investment on which employment and prosperity ultimately depended.

A siege economy was what the anti-Marketeers really meant when they said the U.K. should leave the Community so as to free itself to take protectionist measures, Sir Christopher said.

As the referendum campaign had proceeded, the drawbacks of the "so-called option" of a free trade agreement with the Community had become increasingly apparent.

"More and more it has been seen that if such an agreement were to be available it would impose up on us all the obligations and few of the advantages of membership."

Protectionism, however, was not even an option for Britain, Sir Christopher continued. "What those who advocate such measures clearly have in mind is that Britain should begin by denouncing one Treaty after June 5, and then proceed rapidly to break every other international obligation that gets in the way of their crazy plans."

Managers vote for 'benefits in future'

Financial Times Reporter

BUSINESS has benefited from membership of the EEC and will suffer if Britain leaves the Common Market, according to an opinion survey of 374 managers, just completed by the Research Unit of Ashridge Management College.

From this survey it would seem managers see the benefits of belonging to the EEC as being cumulative, and the same goes for possible damage after withdrawal.

While 42 per cent. of the managers interviewed said their business sector had benefited from membership, 51 per cent. said it had had no effect.

But three-quarters said their industries would be benefiting by 1980 and only 4 per cent. thought that industry would suffer from hardship.

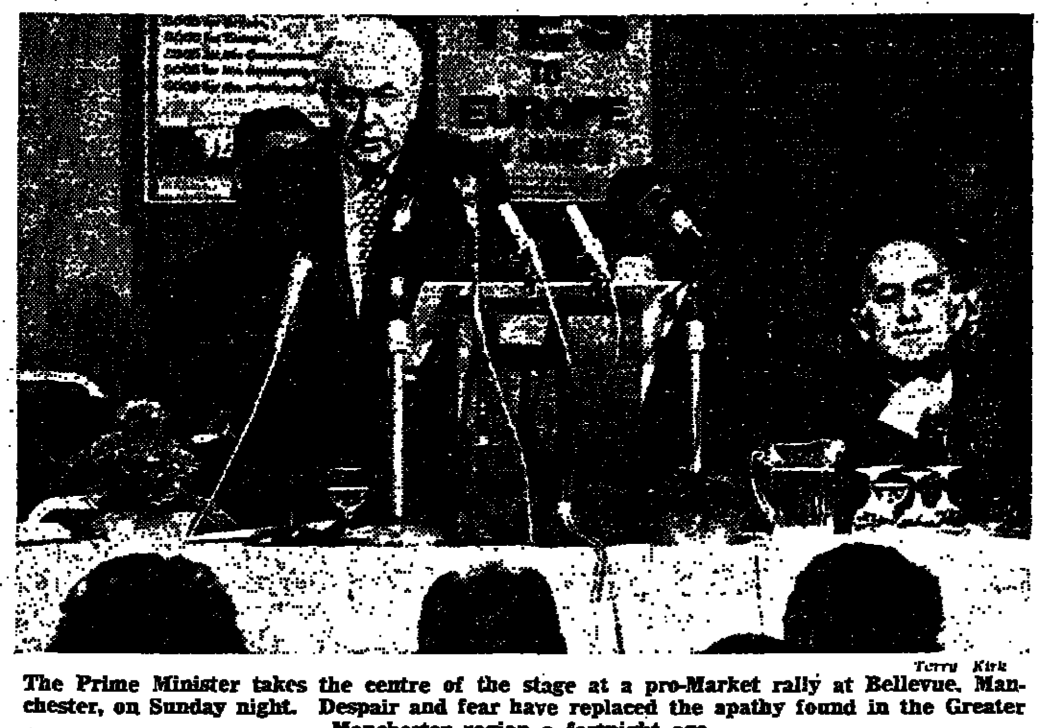
Returning to Manchester for the latest of our referendum reports, **Stewart Fleming** finds a big change in mood from a fortnight ago

REFERENDUM

Where fear is the key

"MINISTER of Fear" was the title one national newspaper bestowed on Mr. Anthony Wedgwood Benn last week. Judging from a return visit to Manchester, Mr. Benn is in this role voicing the widespread anxieties of many ordinary people. For if there is a common theme linking the dozens of people interviewed in districts as diverse as the Conservative stronghold of Altrincham and the industrial slum of Stockport, it is fear—fear of rising prices, fear of unemployment, and fear for the future as the country, or so it appears to many people, accelerates into a crisis which may engulf their private lives. Indeed so widespread are these anxieties that it is impossible to argue that Mr. Benn alone is responsible for creating the sense of despair which he is so effectively articulating, and thus contributing to.

Thus, an afternoon in Stockport's flashy shopping precinct, which rests in a hollow in the city centre surrounded by tiers of crippled and decaying Victorian shops and houses, was most reminiscent of days in the City of London before Christmas. The mood of despair which pervaded the luncheon rooms of stockbrokers and investment managers as they grimly watched the FT indices plunging against the background of, for them, a deteriorating political situation has infected Stockport's citizens too, albeit for slightly different reasons.



Terry Kirk

The Prime Minister takes the centre of the stage at a pro-Market rally at Bellevue, Manchester, on Sunday night. Despair and fear have replaced the apathy found in the Greater Manchester region a fortnight ago.

What was most surprising about this return visit was the *extent to which the apathy* apparent two weeks earlier had been supplanted by strong—if negative—attitudes. Barely a handful of the people questioned expressed either indifference or uncertainty about whether they would vote, and which way. But even fewer voiced positive enthusiasm for the Market or claimed to understand the issues. Most common was a determination to vote coupled with an apologetic admission of failure to fully comprehend and decide between the conflicting arguments. What does seem to have happened is that the debate about the Common Market has been transformed into anxious questioning of where the country is going.

There was the inarticulate young man in the Stockport shopping precinct who remarked passionately: "Everything's going murder, isn't it . . . prices . . . jobs? I'm against the Market but I won't vote. I don't think it will make any difference." He was matched by a lady on the shop floor at the Mather and Platt engineering works who insisted that we must stay in Europe. Why? "This country is not much good on its own now, is it?"

In Conservative Altrincham the view was much the same. "We've got to stay in," said one young man carrying a tiny baby. "This country will sink without trace if we don't." One anti-Marketeer turned the argument on its head. "Definitely out," he said firmly. "We can't hold our own against the more aggressive German and French cultures."

Another common theme, again reflecting doubt about the U.K.'s future, was the view (encouraged, no doubt, by the announcements of financial aid for certain U.K. firms) of the EEC as a developing branch of the welfare state. Several people claimed that we could not afford to come out, since it had cost such a lot to join the Market, and that it would be foolish now to give up the financial grants made to us. By contrast, the most common argument put forward for withdrawal was the threat of rising prices. Talking to people the day after Mrs. Barbara Castle had performed her shopping basket stunt, it seemed clear that, at one level, this London-Brussels comparison was an inspired piece of propaganda.

A surprising feature of the campaign is the trades union's apparent lack of shop-floor impact. Thus, at Mather and Platt again, several shop-floor workers said that, by last week-end, they had detected very little campaigning by either the Amalgamated Union of Engineering Workers or the Transport and General Workers' Union. Similarly, a convenor at a local Hawker Siddeley works, who claimed that his work-mates were two to one against coming out, suggested that this was because most of the men were ready to follow Mr. Harold Wilson's lead rather than take great account of the political views of their shop stewards. He cited the recent election of a moderate as the AUEW's general secretary as further evidence of the lack of political support for the militants.

This unconscious deference to political leaders was apparent on the Mather and Platt shop-floor too, where the majority of those interviewed were for staying in the Market. Asked why they were not following their union's policy of opposition to the EEC, the spokesman for one group of half a dozen engineers said to chorus of nods and grunts: "What do the trade unions know about it? I am going to vote as the politicians say. Both Heath and Wilson are for staying in, and they ought to know." Also at Mather and Platt was the worker who pointed out that he was producing equipment for export to elsewhere in the EEC. "If we come out and exports to Europe go down, I could lose my job," he said.

An influential local Labour politician and trade unionist confirmed that at his plant, an important branch of a major multi-national, the union had had to mount a low key campaign, carefully restricting activities to rest periods. Thus, both management and unions seem to have settled for an uneasy truce for the duration of the campaign.

Overall in Manchester, the pro-Marketeers appear to be preponderant in spite of what seems a loosely organised campaign. But there is positive evidence of strong pockets of resistance. An evening spent with anti-Market canvassers on a council housing estate in Middleton (the estate forms a ward which was marginally Conservative at the recent municipal election) produced twice as many householders planning to vote against the Market as it did those favouring our continued membership.

And on Saturday morning the anti-Market forces were able to rustle-up several hundred supporters to march through Manchester's centre, a tactic their opponents have not been prepared to chance. Even during this march slogans reflecting fear were dominant. The most abiding memory is of the loud-speaker equipped Mini-van, operated by pro-Marketeers, which added to the cacophony with the broadcast message: "Don't let the extremists ruin it. It is the Communist Party and the National Front who want us out."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METAL WORKING

Rock and roll cold forging

A COLD forging system which uses orbital rolling or rocking die techniques to forge parts without impact or noise has been developed at the Warsaw Polytechnical Institute. Poland.

Its potential is stated to lie in finishing powder metal preforms and cold forging ferrous and non-ferrous metals for components such as ring gears, splines, sprockets, bevel and face gears, bearing races, cams, flange nuts and clutch parts.

V.S.I. Automation Assembly Inc., of Troy, Michigan, a subsidiary of the American V.S.I. Corp., has been licensed to make and sell the process in the Western Hemisphere. The U.S. company has appointed Paul Granby and Co., 1W Artillery Mansions, 75 Victoria Street, London SW1H OHZ (01-222 5338) as British agent.

The company says the unusual forming motion of the technique is particularly effective for parts that are relatively thin in relation to their diameters or other similar cross sections. The equipment is stated to cost considerably less than conventional cold forming presses, and to *require less floor space.*

Tooling

A fixed and moving die are used. The fixed die is in the lower part of the vertical press and contains the work piece. The upper die orbits, and the work piece and lower die are raised to it hydraulically. Tooling is said to be simple and inexpensive, and to require no lubrication.

Any of four different motions of the upper die can be selected. These can be radial or rolling, swinging or rocking, spiral, and planetary. Radial motion is used for most parts produced on this equipment, and is a circular rolling motion applicable to simple gear shapes and other products that require most of their deformation at or near the outer diameter.

The planetary motion enables the tool to traverse the work piece in a near-radial fashion and is most suitable for bevel gears and similar parts. The spiral motion is used for circular parts that include intricate design features in the central area.

At present, pieces up to 4½-inch diameter can, it is claimed, be formed in almost complete silence and with great accuracy in an orbital forging press of 150 tonnes. Larger machines are under construction.

● AUTOMATION

Monitors machine usage

TO RECORD and control machine utilisation, the Hasler Group, Switzerland, has developed the "Productron" system.

One of the first installations in the U.K. is at Sealectro, Portsmouth, a company making connectors, cables, circuit components and programming devices. The system, designed by Hasler's U.K. office at Commerce Way, Croydon, CRO 4XA (01-686 0901), is operating in the machine shop.

The system's control centre has been installed in the production control office. Information is received from each machine and automatically recorded in real time, with a mark in the appropriate column on a paper chart at 36-second intervals.

If any of the 40 machines monitored is not running, no mark is made. Each machine has a counter to record production per shift. At the end of each job run the counter is reset with a key by the production programmer responsible for machine loading.

To indicate reasons for non-running, each machine is fitted with a telephone type dial, numbered from 0-9, together with a list of ten reasons for down time.

When there is a stoppage the operator dials the appropriate number, which is then recorded on that machine's graph. Help is also summoned, if necessary.

From an analysis of the chart, repeating problems are identified and corrected. Machine operators said to be happy with the system, as time-wasting form filling is eliminated, and machine faults are more quickly remedied.

Data from the central recorder is used to obtain information on each machine's effective running time, so that an assessment can be made of its efficiency. This produces recommendations for better machine loading, progress control and planned maintenance.

Other installations are at a large motor corporation, and on a meat pie production line at the Brooke Farm factory of Brooke Bond.

Each installation is tailored to the customer's requirements and prices can range from about £5,000 to £20,000.

● MATERIALS

Non-wovens market to double

THE EUROPEAN market for non-woven materials—used in a variety of hospital, sanitary, textiles and industrial usages—is likely to double to about 200,000 tonnes a year by 1980, delegates to a conference in London have been told.

Non-wovens—materials formed by a process of bonding fibres with various resin binders rather than by conventional weaving or knitting — have been growing rapidly in Europe as in the U.S., and have made major inroads into a number of disposables markets

Further growth is expected by the industry in medical markets where the use of disposable garments by medical staff in hospitals, and of disposable linen for patients, can eliminate many of the problems that arise with laundering. The conference, organised by the European Disposables and Nonwovens Association, was told that a reduction of as much as 90 per cent. in airborne organisms could take place with the use of non-wovens in critical hospital situations.

The industry is also expecting growth in other durable, or non-disposable, markets where non-wovens may be able to replace some conventional textiles. Here applications range from industrial substrates to various household textiles, such as tablecloths and curtains. At present disposables account for 45 per cent. of total production with durables taking the balance.

Cost increases

Some 65 per cent. of the fibre used for non-woven production is wood pulp-based rayon with oil-based synthetics fibres accounting for the rest. Likely increases in the cost of manufacturing pulp, partly as a result of higher environmental standards, are expected to push up the price of rayon, however, and in the longer term a *shift in the balance* towards synthetics is foreseen.

The conference which was attended by 180 delegates from leading textile, wood pulp, fibre and chemical concerns in Europe, and from the U.S. and Japan, agreed on the need for a co-ordinated industry-wide promotional programme. This will include re-examination of the generic term non-wovens which is felt not to give a full or accurate description of the product.

RHYS DAVID

Single coat protection

NEW type etch primer—Metasol one pack primer—has been introduced by Storry, Smithson and Company, the Hull-based member of Croda Paints.

Metasol is a single pack, ready for use primer. It is a liquid plastic copolymer, containing a formulation of anti-corrosive chemicals which protects metals actively. Because of its chemical reaction with the substrate it has excellent adhesion and will last without further treatment for up to twelve months on shot-blasted steel.

Having remarkable ability to follow the contours of blasted steel it avoids the dangers of rusting from rogue peaks.

Corrosion inhibitors are added which, in corrosive environments, dissolve very slowly forming solutions which passivate the metal by electro-chemical action and prevent rust creep from damaged areas.

Of particular benefit is the fact that Metasol is surface dry in 15/20 minutes, hard dry in 30 minutes and can be re-coated in 30 minutes. The primer will cure at temperatures down to 0°C. but the dry film is heat resistant to 240°C. dry heat.

It will coat all metals and alloy except lead.

Storry, Smithson is at Bankside, Hull HU5 1SQ (0482 41441).

● SAFETY

Shield gives protection

DEERE AND CO., Moline, Illinois, and Hayes-Dana Corp., Toledo, Ohio, have made available to other manufacturers without charge, their patents on a new protective device that reduces the risk of farm accidents involving power take-offs (pto).

The protection completely encloses the universal joint and pto coupler with free-spinning shielding to prevent a farmer's clothing from becoming entangled, should he attempt to operate pto-driven equipment without having the master shield on his tractor in place.

The U.K. office is John Deere, Harby Road, Langar, Nottingham (094 98 491).

● INSTRUMENTS

Growth in control monitors

SALES of process-control instrumentation in the major West *European markets will grow at a* 10 per cent. annual rate to reach £590m. in 1982, according to a new study by Frost and Sullivan.

That total, in relation to investment by European industry, represents an increase from today's 2.8 per cent. to 4.2 per cent. by 1982. Two-thirds of the growth will be generated by increased buying by Europe's process industries and one-third by demand from new or modernised installations.

Major markets are in Britain, France, Germany and Holland which, collectively, account for 70 per cent. of Europe's process industry. Sales will reach, respectively, £144 million (194 per cent. increase), £165 million (133 per cent. increase), £213 million (151 per cent. increase) and £68 million (121 per cent. increase) in the ten years to 1982.

Britain presents the most dynamic market, Frost and Sullivan's 286-page study points out. The huge investments incident to the exploitation of the North Sea oil and gas fields are the outstanding factor of the entire West European market.

Four industries — chemical, petroleum, iron and steel and food and beverages—account for some 80 per cent. of Europe's process-control instrumentation (PCI) market. Industries concerned with rubber and plastics, pulp and paper, building materials and non-ferrous metals constitute, with the public-services sector, much of the remainder.

BAS Industrial Consultants, Mile Ash, Radlett, Herts. Radlett 6376.

Sound-level meter

NOW AVAILABLE in the U.K. is a sound-level meter from the U.S. stated to be sufficiently simple to be operated by an unskilled user.

Known as the GR.1983, it is said to meet ANSI S1.4 1971 Type S2A and IEC 123. It spans a single range from 70 to 120 dBA in 1 dBA increments. There are no range or weighting selections to be made, the user simply turns it on and reads the sound level.

Weighing 12 ounces, it will operate for 60 hours on a 9V battery, and costs £200. The meter is made by General Radio Co., Concord, Mass., which has a U.K. office at Bourne End, Bucks. (06285 26811).

● COMPONENTS

Filters cut fire risk

AN AUTOMATIC irrigated bag filter has been developed by Aercon Filtration, Portsmouth Road, Sholing, Southampton SO2 9NA (0703 442636).

To eliminate the risk of fire or explosion when filtering dust, fumes and gases from chemical plant, foundries, glass works, coal-processing plant, incinerators, etc., the filter bags are cleaned by water spray instead of by the conventional methods of air jets or mechanical shaking.

Efficiency is claimed to be 99.9 per cent. and capital cost said to be equivalent to that of an air-cleaned bag filter of the same capacity. Less than 5 per cent. of filter area is off stream for cleaning at any one time.

Other advantages claimed are low water consumption because of recirculation; simple disposal of collected dust as low volume sludge; few moving parts and minimum maintenance.

At the first installation, handling zinc oxide and carbon fumes at about 10,000 cubic feet/minute, outlet air contained less than 0.005 grains per cubic feet, ten times less than the maximum allowed by the Alkali Inspectorate.

● DATA PROCESSING

Inexpensive recording

MANUALLY-OPERATED hand punches are playing an increasing role in the recording of low-volume data. They are less expensive to use than full-automatic key punches, little staff training is *needed and information* can be recorded by outdoor workers or on site, instead of making manual records and then duplicating the process in the computer room.

Production figures, stocks, sales, spares and other data is punched either on the factory floor, in the showroom or office then sent to the computer room or bureau.

New 80 column hand punches from Computer Sales and Services, have been developed to meet the need for a more efficient, robust hand-punch.

Both punch versions are simple to learn on, and experienced operators can reach speeds of up to 3-4 columns per second. By depressing any number of keys simultaneously, alpha data and symbols can be entered in a single operation. Plasticised cards can also be punched.

CSS (Equipment), 49/53, Pancras Road, London, NW1 2QB. (01-278 5571.)

Modcomp in for Shuttle

MODULAR Computer Systems (Modcomp) has been selected for the final negotiations of a plum contract, estimated to be worth £3m. to provide computer systems to NASA to be used in the forthcoming Space Shuttle programme.

The proposed contract calls for the delivery of approximately 105 Modcomp II computer systems to form the Space Shuttle launch processor system, by definition an ultra reliable computer complex.

It will form a network to process and transmit information as well as control the actual launch.

Modcomp, a five-year-old company manufacturers and markets real-time digital computer systems in the £1,000 miniprocessor to the £250,000 multiprocessor range for measurement, control, communications and information processing applications. The company reported sales of £11.3m. in 1974.

Modcomp is at 103 Mytchett Road, Mytchett, Camberley, Surrey. (0252 514251).

Digest goes for 360's

IN KEEPING with global policy for quick replacement of all IBM System 370 mainframes with System 360, Reader's Digest recently took delivery of a 360/65 for the Milan operation from London's Premier Computers. *Making the Digest's third 360/65* (the other two are installed in London and Texas), this latest acquisition replaces an IBM 370/135 and a 360/40.

From the time Digest signed the contract in Italy to the acceptance date of the equipment in Milan by IBM under a new maintenance agreement, less than nine weeks elapsed.

Peripheral equipment was provided by the Telex organisation.

Premier is at 36, Parkside, Knightsbridge, London, SW1X 7JP (01-235 6525).

Telex helps Potter user

TELEX Computer Products U.K. has taken over the data processing end-user activities of Potter Data Products in the United Kingdom.

In this acquisition, Telex has taken over the current spare parts inventory and also the Potter engineering force has been integrated into Telex's field engineering organisation. Telex will continue to supply both its own and Potter peripherals upon request for the foreseeable future.

This addition to Telex's engineering field force together with Telex's repair and reconditioning capability at London Airport, will ensure existing Potter users of service and support.

● SERVICES

Hunting the static

IT IS NOT always easy to find the source of trouble with static. Yet it can annoy workers, make material difficult to handle, damage product and create fire and explosion hazards.

Static analysis is being offered as a nationwide service—free of charge and obligation—by the Nuclear Products group of 3M United Kingdom.

Static Analysis Service, 3M United Kingdom, 3M House, Wigmore Street, London, W1A 1ET (01-486 5522).

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

LABOUR NEWS

British Airways strikers vote to stay out

BY CHRISTIAN TYLER, LABOUR STAFF

BRITISH AIRWAYS' European and domestic flights out of Heathrow airport, London, will stay grounded at least until to-morrow

A mass meeting of about 500 aircraft maintenance men yesterday decided, without a vote, to continue their four-day-old strike over pay for handling TriStars after shop stewards told them they could not agree on a peace formula worked out on Sunday.

The 700 strikers will meet again to-morrow to hear the outcome of another emergency meeting of employers and full-time union officials called last night. Full resumption of services is therefore unlikely until Thursday at least.

Meanwhile the loss-making airline claimed yesterday that the strike was losing it about £1m. of revenue a day from the European and Regional divisions (formerly BEA) hit by the dispute.

Some 12,000 passengers are being transferred to other airlines, and thousands of package holiday-makers booked on Sovereign tours are being offered other holidays—either now or later—or refunds. A BA spokesman said that most who wanted their holiday now were being accommodated, but this could not be guaranteed if the strike went on beyond to-morrow

The sticking point appeared to remain the management's insistence that a "flexibility" payment could be made provided unions guaranteed similar claims would not follow from the rest of the 11,000 engineering and maintenance men at Heathrow.

Shop stewards said they were planning to hold meetings at other U.K. airports to-morrow to "consider their position."

Last night's union-management meeting was attempting to re-cast the eight-point formula in a way that would be acceptable to the shop stewards and the 700 strikers.

Massey Ferguson shop stewards vote to continue plant sit-in

BY OUR LABOUR STAFF

SHOP STEWARDS representing some 4,500 strikers at Massey Ferguson's tractor factory in Coventry yesterday overwhelmingly voted to continue a sit-in at the works despite legal proceedings started against them by the company last week.

The company served summonses on 310 named workers involved in the sit-in last Thursday and the case will be heard in the High Court on Friday, when it will be alleged that those involved are sitting-in "without licence or consent."

The strikers' 130-man shop stewards' committee met yesterday and reaffirmed the sit-in with an overwhelming vote. They will meet again next Monday.

The strike, over a pay claim, is now in its fifth week and there is no sign of a break in the deadlock.

Cessation of output is costing the company £600,000 daily in lost production and management personnel are having to work from local hotels because the strikers are occupying the plant.

Mr. Jim Dunn, secretary to the shop stewards committee, said yesterday: "We are occupying the canteen, the ground floor of the office block and the manager's block. The lads play cards mostly." He refuted as "scurrilous" suggestions that the sit-in was inspired by International Socialists.

"The committee is in charge and always has been. There are no Left-wing militants," he said.

The company5s latest offer in the pay dispute which cause the industrial action, was £7.44 which would be about £6 a week for the great majority of the labour force, he added.

"The next move must come from the company. They must make a new offer," declared Mr. Dunn.

21.7% offer to local authority employees

By Our Labour Staff

LOCAL authority employers have offered their 400,000 white-collar workers a "social contract" 21.7 per cent. pay rise in reply to a 35 per cent. claim.

The offer is now being transmitted to branches of the National and Local Government Officers Association, the main union involved, who, as reported on Saturday, will be deciding next week at the union's annual conference, what strike action to take if negotiations break down.

Although the offer exactly matches the cost-of-living increase as measured by the retail prices index between April last year and April this year, the employers may be ready to improve on it, given the example of other employers in the public sector recently.

Union officials say sufficient progress has been made for them to meet the employers again after the conference.

Meanwhile NALGO members in Gwent, Wales, have threatened to ban work on Thursday's EEC referendum, when they would be expected to help with the polling.

The union is not backing such threats and is likely to ask for leave to continue negotiations when the national industrial action contingency plans are voted on next week.

'Pay grab' unions attacked

By Our Labour Staff

AN ATTACK on trade unions who used "muscle" to grab pay settlements above the social contract guidelines was launched by Mr. Albert Howarth, chairman of the National Union of Tailors and Garment Workers, at the opening of the union's general conference in Southport, Lancs, yesterday.

His union was formulating a wage claim within the terms of the social contract, Mr. Howarth said.

"In this respect it should be noted that those industries and services that have used muscle to achieve settlements outside the social contract are doing a disservice to those workers loyally working within the contract freely entered into by democratic processes.

"It is foolish to dismiss high settlements as not being contributors to inflation and, of course, the low-paid and the recipients of social welfare benefits are affected most by soaring prices."

● Top salary earners should set a lead by accepting voluntary restriction of their incomes instead of preaching about the evils of wage inflation and writing off the social contract, Mr. Chris Child, president of the Bakers' Union said at the union's annual conference at Skegness yesterday.

Speaking shortly before the union draws up its annual pay claim, Mr. Child warned those seeking cheap food: "You can no longer have it at the expense of our members."

The subsidy on bread was seen by the union as a short-term expedient and the shorter the term, the better it would like it.

Strike at ICI plant to-morrow

By Our Labour Staff

MORE THAN 1,000 engineering workers at Imperial Chemical Industries' Wilton plant on Teesside are to stage a half-day strike to-morrow to coincide with the resumption of talks at national level on the unions' 55 per cent. pay claim.

Another 600 craftsmen are being asked to join the stoppage, called to protest at ICI's 23-25 per cent. pay offer last week.

The company's offer is worth about £10 a week on basic rates to its 65,000 manual workers at all plants.

A broadly similar percentage offer has also been made to 60,000 manual workers employed by smaller chemical companies in separate negotiations.

About two-thirds of this would be "new money," the rest being the result of consolidating some existing extra payments into the basic rate.

This offer, from the Chemical Industries Association, is being put to a ballot of union members, but with no recommendation from their negotiators.

Fresh talks likely on seamen's pay deadlock

BY ROY ROGERS, LABOUR CORRESPONDENT

THE ADVISORY, Conciliation and Arbitration Service is expected to bring seamens' leaders and shipping employers together again later this week in a further bid to break their deadlock over pay which could otherwise drift into a confrontation situation.

The chances of an early breakthrough appear slim. ACAS held lengthy "exploratory" talks with both sides last week without making any real progress.

Both parties remain in entrenched positions, with the employers maintaining that their last 30 per cent. offer is final, while the National Union of Seamen is sticking rigidly to its original demands which the employers claim would add 81 per cent. to their wages bill.

Unless a breakthrough is achieved through conciliation at the ACAS—the NUS has already ruled out arbitration—militants on the union's negotiating committee are expected to recommend the national executive later this month to call all 40,000 merchant navy seamen out in a repeat of the 1966 seamen's strike.

TUC leaders, including general secretary Mr. Len Murray and Mr. Jack Jones, general secretary of the TGWU, have already impressed upon Mr. Jim Slater, the NUS general secretary, the need to abide by the social contract wage guidelines—but to no avail.

There has been no indication whatsoever from the NUS that they would settle for anything less than the target of a £40 a week basic for a 40 hour week, plus improved overtime rates set by the union's bi-annual conference.

The employers, the General Council of British Shipping, are understood to be prepared to make slight improvements in their £28m. offer, but only to clinch a settlement.

Under the employers' last offer, average earnings for a foreign-going able seaman would increase from £59.25 to £70.35 for a 67-hour week. This would include "new money" increases of £11.10 or 18.7 per cent. and the consolidation of £4.40 a week cost of living payments already being received.

But the offer would only lift the consolidated basic rate from £25.44½ to £33.46 including threshold payments—far short of the £40 NUS target.

RUGELEY MINING OUTPUT RECORD

A national coal face productivity record of more than 411 cwt. per man shift has been set up by the 2,000 miners at Lea Hall Colliery, Rugeley, Staffordshire. The pit already holds the British record for the highest annual output.

Importers hit Ministry dock labour plans

THE consultative document on dock labour was a recipe for unrest and strikes throughout Britain's ports, the British Importers' Confederation warned yesterday, giving unlimited powers to the the Secretary of State.

BIC says in a memorandum to Mr. Michael Foot, Minister of Labour, that its main objection to the document is that "virtually unlimited power is given to a Secretary of State to extend the dockworkers' scheme and to decide what operations are considered to be port transport work."

It warns that there would be continuous demands from the unions, and from Labour, to extend the scheme in every direction, and to bring more and more operations within port transport work. A refusal to meet the demands might, based on past experience, result in strikes and disruption.

A special survey carried out for the confederation showed that for conventional cargo the average charges were higher at scheme ports than at non-scheme ports. Quay rates for canned goods were £12.37 (per 1,000 kilos) in London, against £3.00 at Dover; timber (per cubic foot) 14p in Liverpool, and 3p at Watchet; Chinaware (per 1,000 kilos) £20.53 in London but only £4.25 at Felixstowe.

'Unions must fight inflation'

A WARNING that the unions must not only fight for pay but must also be prepared to "fight to keep the value of that pay" and "fight to slow down inflation," was given by Mr. J. Scott-Garner, president of the Post Office Engineering Union, at the union's conference in Blackpool yesterday.

"Workers in public industries," he said, "must be even more conscious of this than anybody else."

If inflation continued to run at its present level, Mr. Scott-Garner continued, industry generally would need to double its wages in three to four years just to stand still. It would also need to double its prices, its borrowing and the interest on outstanding debts.

Commenting on Mr. Jack Jones' proposal for a national flat-rate payment linked with the cost-of-living, he said: "Any proposal as simple as that would seem to stand no chance of acceptance by us all. What would happen to differentials and so on?"

But, he asked, what was the use of maintaining differentials when pounds are sinking fast. "Let us get inflation under control. Then we can bother about our relative positions."

Mr. Bryan Stanley, union general secretary, told delegates that the demand for telecommunication services had been affected by the general depression of economic activity in the country.

The state of the economy was forcing people to cut the length and number of phone calls, and the recent increase in charges was likely to add to the cutbacks.

ACAS peace moves fail to end Ford strike

PEACE MOVES launched yesterday by the Advisory, Conciliation and Arbitration Service over a door hangers' manning dispute at Ford Motor's Dagenham plant failed to provide a basis for further talks.

ACAS officials held separate meetings with representatives of the management and unions involved at its London regional office in the hope that a basis for joint discussions would be found.

But this proved impossible during over four hours of talks and the parties left without any further initiatives being planned.

Some 80 door hangers and fender fitters have been on strike for six weeks over the dispute, which concerns manning levels. As a result over 5,000 other workers have been laid off, with production of over 12,000 cars being lost.

Meanwhile, normal work was resumed yesterday at Ford's Halewood plant on Merseyside, after a disciplinary dispute disrupting production on Friday.

More power for GMWU members

BY LORELIES OLSLAGER IN ABERDEEN

THE GENERAL and Municipal Workers' Union yesterday decided to give lay members a greater say in the running of overall union affairs, but shied away from any drastic overhaul of its organisational set-up.

The union's annual conference in Aberdeen unanimously accepted recommendations by its governing body, the general council, that the council and the national executive committee should be merged into a new body to be called the "Executive Council" with increased lay representation.

This revision of the union's rules is part of the GMWU's attempts to move away from a structure that has often been attacked for being authoritarian and unrepresentative to greater democracy.

The changes approved yesterday still give the union's powerful regional secretaries, who are full-time officials, a great deal of influence in the running of national union affairs. But while in the past there were only 14 or 15 lay members on the 26-strong general council their number will now be increased to 20 or 21 out of the 32 on the new executive.

Proposing the changes, Mr. David Basnett, the union's general secretary, said the leadership was opposed to calls for an exclusively lay council because the experience of the regional secretaries was needed for the running of union affairs.

He said a working party had found that the present balance of power between the regions and the national leadership was about right.

For the running of day-to-day affairs, the new executive council will be able to set up sub-committees. Yesterday, the conference approved the establishment of sub-committees to deal with finance, organisation, and the services offered by the union. The sub-committees will have a lay majority of 7 to 3 or 6 to 4, compared with a 50-50 distribution of seats on the old national executive.

Later this week, the conference will discuss further reform proposals designed to increase the importance of conferences of members employed in the various industries.

On other issues, the conference called for full worker participation and democracy in industry, without specifying how this should be achieved. Movers of the motion explained that they were not thinking of worker directors on company Boards.

In particular, the congress said, care should be taken that when further industries are nationalised there will be "maximum devolution" of the decision-making powers.

By a unanimous vote the conference also approved a motion calling on trade unionists in the electricity, gas and water industries to make sure that their services are continued to factories where "sit-ins" or "work-ins" are taking place. The conference was told that management increasingly were trying to cut off basic amenities in plants where people were working or sitting-in.

Pensions at 30 per cent. inflation

BY DRYDEN GILLING-SMITH

THE announcement on May 22 by Mrs. Castle, the Social Services Secretary, of the November round of increases in flat-rate state pensions is yet another depressing reminder of the current rate of inflation. The increase of 15 per cent. in old-age pensions from November 17 is the second rise this year.

Over the years we have moved from pension increases every three years to every two years, to yearly, and now twice-yearly, and one is tempted to indulge in a certain amount of grim speculation about when increases will be down to a quarterly or monthly basis.

This is not to begrudge the pensioner his due. In fact it was common policy in many companies a few years ago to regard 5 per cent. as the limit of tolerance in a pensioner's income.

The increase in state pensions draws attention to the burden now falling on employers who are attempting to maintain the purchasing power of occupational pensions paid to former employees.

A substantial number of employers have for many years granted inflation-proofed pensions increases for their retired employees.

But the burden being shouldered by private employers with properly funded schemes who regularly award cost of living increases to their pensioners is of a totally different dimension to the burden on government both as purveyor of social security benefits and as employer of some 4m. public sector employees.

The Government, in theory, has an infinite capacity to tax, increase social security contributions, and to "print money." The private sector employer either has to fund such increases in advance *or to pay* them out of current profits.

As the Inland Revenue rules have effectively restricted advance funding to an amount appropriate to an inflation rate of 5 per cent., most employers are having to make up the difference between 5 per cent. and say 30 per cent. inflation out of current profits—unless their pension funds have enjoyed unexpected investment windfalls.

Employers who have made no firm commitment in the past, but who have awarded ad hoc increases, feel that it would be difficult to let their pensioners down at the present time, because to do so would destroy credibility among present employees.

Employers who are facing this problem for the first time are only too aware of the costs and the fact that if they do not offer price-protected pensions, then it is very difficult, at the present state of the inflation game to "sell" their schemes to their present employees. Where a scheme is contributory the employee is likely to ask "Why should I pay good £'s now to receive worthless £'s later on?"

On this point Mrs. Castle has provided a concession. In essence the Social Security Bill provides that if an employer is contracted out, the State will take care of the post-retirement inflation-proofing on the *contracted-out* element.

While this is seen as a plus point by many employers, others have seen it differently. For example, if the Castle scheme starts in 1977 and an employee retires in 1979 on a pension of 40/80ths of final salary, of which only 2/80ths represents contracted-out pension, then the State will only take care of inflation-proofing on the 2/80ths (or thereabouts) while the employer will be under considerable pressure to provide the inflation-proofing on the other 38/80ths.

Even those employers who have regularly inflation-proofed in the past are unhappy at what they see as the increased moral pressure that will be put upon them in the future to do something which they fear might bankrupt them if the struggle for survival really gets tough.

Inflation - proofing of a different kind is at the back of much of the disquiet about the contracting out terms of the Social Security Bill. This is the obligation to inflation-proof preserved contracted out pension between the date an employee leaves service and the date he retires, which could cover a period of 30 or 40 years. Again a vast number of good employers do this already.

The Bill promised a compromise buy-back arrangement where, for a given payment at the date an employee leaves, the Government would take over any inflation-proofing liability beyond 5 per cent. But no tables have yet been produced to show what this payment will be. Will it be calculated on a rate of inflation of 7 per cent., 30 per cent. or 50 per cent.? This is a vital figure in the contracting out equation, and yet the Bill has reached the end of the committee stage in Parliament without anyone being able to assess whether the contracting out terms are satisfactory for a given company or not.

By the time this data is available it may be too late to change the Bill, and the only hope will be that should there be a change of Government between now and 1977 there will be yet another pensions Bill.

Headache for the EEC

ONE BIG headache for management which also afflicts the competition department of the EEC Commission is the business distribution agencies. In 1966, the European Court decided that exclusive dealing agreements must not protect the distributor's market against parallel imports. And in order not to be swamped by the mass of notifications which followed the *Grundig-Consten* decision of the European Court, the Commission arranged for block exemption of certain exclusive dealing agreements by Regulation 67/67.

This exemption applies when the agreement is between two parties only, each of them in a member state, as long as such agreements concern only part of the Common Market and do not prevent other traders, or consumers, from obtaining the goods involved from other dealers within the EEC.

Matters have now turned a full circle. The European Court is being asked whether the meaning of the block exemption is that the distributor's market must remain open to all parallel imports or only to those from countries other than that of the manufacturer.

While awaiting the Court's decision, one can usefully extract some general conclusions from cases recently settled by the Commission.

For instance, the Commission appears to be prepared to approve exclusive dealing agreements within a single member state, or covering the entire EEC area, as long as other conditions of Regulation 67/67 are satisfied.

The case of *Goodyear Italiana and Euram Italiana* was an example of the first situation. The Commission approved their agreement after it was modified to allow the dealer to export the product from his own territory to other EEC countries, though he could not engage in active sales promotion. But the prohibition on exports outside the EEC was not seen as an appreciable restraint of competition.

The extension of the redeeming feature demanded by Regulation 67/67 of an exclusive dealing agreement covering the entire area of the Common Market was effected by an exemption granted to *Duro-Dyne Corporation* of New York when it appointed *Europair SA* in Brussels as its exclusive dealer for the whole EEC area. This *exemption was granted to facilitate* active sales promotion, continuity of supplies and rationalisation of distribution, as the authorised dealer could integrate the relevant products into complex ranges of products for various heating and air-conditioning systems. The Commission emphasised that the principal would not stop indirect supplies to the Common Market and that the agent had set up a sub-dealing system permitting parallel imports between the various EEC countries.

The Commission's approval of BMW's German sales system shows acceptance of the argument that the economics of motor-car distribution do not allow the manufacturer to employ all qualified distributors, but make it necessary to restrict their number. Selected dealers can thereby expect a certain minimum turnover and undertake the minimum service laid down by BMW which is to stock the full range of spare parts. It is claimed that this system is in the interest of road safety, of lower environmental pollution and enables the car maker to provide a minimum, uniform guarantee.

However, the restriction must not go beyond the distribution stage. Although dealers are primarily to concentrate on their own sales territories, they are not to be prevented from meeting orders from outside. The dealers are free to obtain supplies of BMW products from any other approved dealer and not only from their contractual partners, and the ultimate customer must in no way be restricted to buying only from his local dealer. The Commission hopes this will eliminate unwarranted price differences.

A. H. HERMANN

The Executive's World

Mr. Graham Dowson, the new chief executive, explains to James Ensor how

Rank chooses its course

RANK ORGANISATION'S relations with the City and with some of its shareholders have not been happy in recent years. Three years ago, strong opposition from the important body of American shareholders persuaded Rank to drop its £450m. bid for Watney Mann: this year there has been more disquiet over the way in which the company raised £27m. in equity through a sale on non-voting shares.

Rank shareholders, of course, have every reason to be pleased with the financial performance of the company over the years. It has easily outdistanced the profit growth of most of its rivals in either the business equipment or leisure fields. But the engine for that growth has been the investment in Rank Xerox, the result of a brilliant, but perhaps partly fortuitious, decision made by Sir John Davis almost two decades ago. Rank Xerox which was earning no more than £1m. a year before tax in the early years, produced an ever-growing fountain of profits, culminating in a £159m. contribution, last year.

Corinne McCarthy

Mr. Graham Dowson and some of the consumer products that Rank markets.

Rank has been able to use its share in these enormous and growing profits to finance a series of take-over bids into new areas, ranging from hotels and holiday camps to radio and television manufacturing, and the building of precision numbering machines. Over the past five years, it has invested an estimated £30m. in new activities and the sum would have been far larger if the Watney Mann bid had not been thwarted.

Rank has also been able to use its profits to redevelop and refurbish its traditional film distribution and cinema business, rebuilding some, converting others to bingo halls or expanding them into entertainment complexes. More recently, Rank has markedly increased its property investment, developing offices, shopping centres and marinas as well as entertainment complexes and becoming heavily committed as a developer.

Return

None of these investments have produced a very substantial return. Last year, Rank earned just under £19m. in trading profit on revenues of £288m. on its leisure, scientific and property businesses. By contrast, Rank Xerox returned £159m. on revenues of £482m.

None of the other interests could rival Rank Xerox's 33 per cent. trading profit on revenue. Indeed, aside from the Holiday Centres acquired with the bid for Butlin's in 1972, which earned £5.4m., only the overseas film distribution and the dancing and bingo halls earned much over ten per cent. on revenue. Hotels produced a heavy loss of almost 20 per cent. and television manufacturing, which had been highly profitable in the 1973 boom, dipped into the red.

Under its new chief executive, Mr. Graham Dowson, a 52-year-old former market research director with A. C. Nielsen who has been at the centre of Rank for ten years, the company is likely to be more critical of some of its diversions. Mr. Dowson is inevitably defensive about critics who argue that Rank should have done better with its other interests. "I have never been able to understand how it was that year after year there seems to be a continuing need to justify Rank," he says.

He argues, "We have provided a number of leaps forward in technological and service industries and have acted almost with pioneering zeal." He adds that the success of Xerox has created an unfair comparison. "John Davis found it and turned it into a history-making success and it has remained so. Yet instead of being a credit, it has turned into a pivotal position with critics."

Rank's other interests he maintains have suffered from the action of the British Government. The other sides—which depend on the whim of the British Government—have been up and down. Things have moved forward but with a swings and roundabouts result."

"At the moment," he argues, "the leisure and cash side of the business—the sale of food and drink—is doing quite well. People seek recreation as a diversion from economic problems and the trouble is not turnover but margins." He contends, "It is very, very difficult to make any money out of rising turnover, but that is a symptom of inflation."

THE PROFITABILITY RANK 1974

	Turnover £m.	Trading Profit £m.	Return on Sale %
Rank Xerox	482	159 (£55m. Rank share)	33
Holiday Centres	31	5.4	18
Property	—	4.5	—
Other Activities	9	1.4	16
Dancing and Bingo	16	2.1	13
Overseas Films	23	2.8	12
Film Laboratories	8	1.0	12
Film Production	5	0.5	10
Audio Visual	33	2.7	8
Scientific Instruments	26	1.0	4
Motorports	12	0.2	0
Film Studios	2	0	0
Radio, Television	77	Loss 0.9	−1
Hotels	15	Loss 2.9	−19
Total (excl. Xerox)	288	19	6.6

Opportunities

Certainly Rank's interests in high priced consumer durables have been hit hard by the recent Budget. Not only the television and Hi-Fi manufacturing sides, which suffer from the luxury rate VAT, will be affected but also Rank's interest in marinas and its wholesaling business in Nikon and Asahi - Pentax cameras and Akai Hi-Fi will be hit. Mr. Dowson is philosophic about these blows "I don't see it improving as quickly as some do," he admits "but if we stay in Europe—and I sincerely hope we do—the opportunities abroad will be much greater than the opportunities at home."

Rank is taking advantage of the slump in its domestic colour TV business to reshape its Rank Radio International subsidiary. Manning levels will have to be reduced substantially to maintain the same potential output with more efficient production. Rank is also more active abroad than either of its two major British rivals Thorn and GEC, with business in Germany and Scandinavia and a beginning in France.

Challenge

Mr. Dowson has no illusions about the strength of the European challenge—from Philips and Siemens—let alone the Japanese threat in colour TV. But he believes in working with rivals: Rank has a plant in Australia jointly with Nippon Electric and will shortly produce new products in Britain embodying Toshiba technology.

Equally Rank has chosen to integrate its Hi-Fi interests with the Japanese, selling Akai in Britain in competition with its own lines. It has had some success, too, in selling Leak and Wharfedale speakers in Japan for this is an area where British designers have a technical edge.

Mr. Dowson, though trained in the Davis mould as his heir apparent for some years, seems likely to have a more open and out-going style of management than his predecessor. He is obviously concerned to project Rank's image as a benevolent employer and makes a point that "We're not a hire-and-fire organisation. The number of people we lose is quite small."

At the same time, he will clearly take a more ruthless line over the activities which Rank should and should not develop. "Some businesses are less attractive than we thought they might be . . . . we shan't hesitate to divest ourselves of them."

Rank's philosophy now is that "we are only interested in businesses where we can clearly see managerial expertise available to us and where we can see that they latch on to us." Thus the acquisition of Butlin's—in which Mr. Dowson played a major part—was justified on the grounds that "the kind of people in our Bingo halls and cinemas also go to Butlin's."

"It was obvious from the start," he says "that Butlin's was short of capital. We were able to bring the benefits of scale in purchasing and to inject some other benefits. But Billy Butlin still runs Butlin's."

Mr. Dowson, partly educated in Switzerland, and having spent his early career with U.S. Steel in America, is clearly going to swing Rank towards a more international outlook. "Butlin's have been looking for opportunities to provide the Butlin type of holiday outside the U.K.," he says, "but if they do it will be holidays for Frenchmen in France rather than the package tour business for Britons."

Exporting

He has also edged Rank into Continental markets, in a small way, so far. But the success of Leak and Wharfedale in exporting speakers and Hi-Fi equipment persuaded him that there ought to be a market for British colour TV, too. Rank Xerox, of course, is developing Continental manufacturing operations in Lille and Aachen as well as its plant in Venray, to supplement its British capacity: and for tax reasons these have now been established under a Dutch holding company. Through the highly developed international network of Xerox, Rank at least has an entree into any of the Continental markets.

Clearly the profitability of Rank's other interests will continue to be closely scrutinised by the investment community. Clearly also, the results in radio, television and Hi-Fi, in audio visual, in motorports and perhaps in hotels are likely to worsen in 1975, with the increasing recession in consumer durables and business travel and entertaining. But it seems clear that these businesses will also be more carefully scrutinised in Rank's modest Mayfair headquarters and that some well-calculated pruning may result.

Pronto, Allo, Hello

BY ROY LEVINE

WHATEVER the outcome of the referendum on Thursday, trade with the Common Market is likely to become more important to Britain. In the 2½ years that the U.K. has been a member, trade with our European partners has increased from a fifth to a third of our total imports and exports. Of course, if there is a "Yes" verdict, this momentum could accelerate.

A large proportion of the trade is done by the big firms which have the resources to undertake market surveys and plan costly marketing campaigns, or have already established a name across the Channel.

But it is more difficult for the thousands of smaller firms which need as many business aids as possible. So it is heartening to see a Common Market Telephone Directory which will be published at the end of the year by SODEMAC, a publishing company owned by a consortium of banks including Barclays International in conjunction with the Commission in Brussels. The cost will be about £25.

The exercise, masterminded by French publisher M. Jacques Dalbin, shows how private enterprise can work closely with the bureaucracy in Brussels. The introduction has been prepared by the Comission and contains over 100 pages of information and statistics on the EEC including details of relevant legislation.

The second part is the alphabetical listing of companies giving addresses, phone and telex numbers. Entries are free but if you have a paid advertisement in the classified section, the entry is in heavy type. The classified section lists products and services, both by activity and country. Once again, entries are free.

There are sales forces in each country, in the U.K. the sales force is run by Thomson Sales and Services, part of the Thomson Organisation. The salesmen are also the collecting agency for they visit firms to get the information for the listings. The information is then sent to Paris for translation into the other three languages and collation.

The publishers eventually hope to have information on over 140,000 firms throughout the EEC but for the first edition the target is 100,000—and about a fifth of those will be in the U.K.

Circulation

Initial circulation is guaranteed at 150,000 and, based on that, advertising rates vary from the equivalent of £250 for a 2cm listing in the classified section to over £2,000 for a half page over two columns which is the maximum size.

One of the interesting facets of the book is that all invoices will be in EURCO's, the special currency made up of a basket of fixed EEC currencies. The advantage is less volatile currency movements—for example, the EURCO fell by only 1.4 per cent. against the pound over the 12 months to December 1974.

Another organisation which intends to publish information which could help firms operating within the EEC is DAFSA, the Paris-based financial analysts who publish the information cards on European companies.

DAFSA will publish later this year books on France, U.K., Germany, Belgium and Italy containing summaries of the accounting laws and procedures, tax systems and legal frameworks for companies in each of those countries. There will also be examples using the accounts of major companies in each country to show how the accounting, tax and company laws are interpreted. The books will cost £5 each or £25 for the whole set.

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TUESDAY, JUNE 3, 1975

The discipline of floating

AFTER a little more than two years' experience of generalised floating exchange rates, it is possible to deliver some sort of verdict on what now appears a semi-permanent international regime, and that task was undertaken yesterday by Dr. Otmar Emminger of the Bundesbank, in a thoughtful speech in Chicago. His more general conclusions are unlikely to be disputed, but are still well worth pondering: floating has avoided crises, but it has not solved major problems; it has freed countries to pursue divergent policies, but has made the consequences of mistaken policies more immediate and more pressing than they were under the Bretton Woods regime. The policy option which no longer exists is that of "benign neglect."

Paradox

There is also a paradox, to which Dr. Emminger drew attention with perhaps understandable complacency. Within the generalised float, there is an important and growing bloc, centred on Germany, which has adopted the trading advantages and disciplines of stable exchange rates between themselves. When we have all qualified to float jointly, we will have fixed exchange rates *de facto*, and can resume the task of international reform.

What are the qualifications? Dr. Emminger postulated three conditions: the control of domestic inflation, the elimination of gross payments imbalances, and the control of the creation of international liquidity—in other words, some form of settlements discipline on international capital movements. His remarks under these heads are somewhat more debatable.

Some countries, he implied, still imagine that floating makes it possible to pursue inflationary domestic policies without fear of the international consequences: and, he implied several times, Britain is one of those countries. This is surely out of date. We not only receive weekly lectures from Treasury ministers about the fact that the downward drift of the pound simply reflects our own domestic failure: the point has been so well taken by those who oppose the conventional cures for inflation that they now urge a retreat into protectionism in a mistaken attempt to ward off the inevitable.

Dr. Emminger was also very critical of countries which have borrowed freely to finance persistent payments deficits, which he saw as an attempt to get round the natural diciplines of a floating regime. Here there is a genuine difference of view between what may be termed the Anglo-Saxon and the Continental approach.

The evidence

The fact is that the British very deliberately, and some other countries by accident or necessity, have borrowed petrodollars to limit the deflationary impact of the OPEC surplus. In doing so, they have helped other countries to pursue more rigorous balance of payments disciplines without an altogether excessive slump. Britain has also used this borrowing to support a higher level of employment at home than would otherwise have been possible. On the evidence so far, it seems clear that a very sharp recession is highly effective in checking cost inflation, while a more protracted and delayed one has so far had little effect in this country. However, it remains to be seen, as Dr. Emminger pointed out, whether the stabilisation of inflation rates in the more successful countries can be maintained when the cycle turns.

There is likely to be plenty of time to test all possible hypotheses about the appropriate régime for floating, for the main technical problem on which the Bretton Woods system foundered — the uncontrolled creation of international liquidity — remains unsolved. But at least, as Dr. Emminger argued, it is already clear that floating is not another word for licence. Its desciplines, still imperfectly understood, are as harsh as those of any formal system.

European aid for Portugal

WESTERN EUROPE is, at last, beginning to take the Portuguese situation seriously. So much was apparent at the NATO meeting in Brussels last week when the Portuguese Prime Minister, General Vasco Goncalves, was one of the centres of attention and held bilateral talks with most West European leaders. A few days before the European Community had already decided to make a special effort to establish closer links with the country. To this end, Dr. Garret Fitzgerald, the Irish Foreign Minister and current President of the Council, has been in Lisbon in the past day or two.

Economic help

It is important that this effort should be more than token. Portugal is a European problem and it is a special problem for those Europeans interested in building a stronger western Europe based on democratic principles and a healthy economy. Since Portugal has been used neither to democracy nor to prosperity, it has become something of a test case. Either the Europeans can help to put it on its feet economically and politically, or it is likely to drift into anarchy or communist control.

The European interest here is quite different from that of the superpowers. The U.S. interest so far has been largely strategic and the Americans have not shown a great deal of sympathy for Portuguese difficulties. The Russians have been cautious: they seem reluctant to be seen upsetting the balance of power and have refrained from doing anything that would jeopardise the European Security Conference, which would undoubtedly be one of the first casualties of a Communist takeover.

These extra dimensions to superpower interests give the Europeans their chance, and the way to use it is through the economy. Portugal has long been a poor country, even though under Dr. Salazar it had a certain economic stability. To-day the economic situation is desperate. Unemployment has risen above ten per cent., there has been capital flight and a brain drain while, to put it mildly, the investment climate is uncertain.

There is no reason to believe that the majority of the Armed Forces' Movement regards this state of affairs as desirable, but the machinery has not been established to put it right. It is here that Europe can help. Quite apart from capital aid, Portugal needs technical assistance. There is a British offer on the table and a British team will probably go to Lisbon this month to look at specific projects. Other European countries are moving in the same direction—Chancellor Schmidt, for instance, spoke of the possibility of more West German aid at his meeting with General Goncalves last week. There is also the European Community promise to produce detailed proposals for a negotiating mandate with Portugal in the next few days. The Community in fact should go to great lengths to treat the country sympathetically, including allowing it access to Community financial institutions, and should act faster than is normally the case.

Question of will

Yet the effort should not be left to the Community alone, nor even to national governments. It is up to all Europeans who are in a position to help to do so. Some of the European Socialist leaders, such as M. Mitterand in France, have already set an example with their encouragement to the Portuguese Socialists, but others could do more. In the end, of course, no one can impose democracy on Portugal from the outside. But the chance is there and western Europe has the resources and the experience to take it. Only the will may be lacking. If so, the idea of a united Western Europe will receive a severe setback. What is more, it will have deserved to do so.

Mayday distress calls in the Wall Street price war

From JAY PALMER, New York, June 2

DURING the last few weeks Wall Street's enforced experiment with competitive, unfixed-commission rates has deteriorated into a particularly vicious price war that many feel can only result in the destruction of the auction markets. With the loss of initial hopes that rate competition could be held back to modest gentlemanly levels, the pessimists are once again rolling out doomsday predictions that 200 or more brokers will eventually be forced into bankruptcy. This may be going too far, but certainly the implications are ominous for an industry only now emerging from recession and still so alarmingly short of capital.

The brokerage houses' experience with competition dates back really only to the beginning of last month, although rates on both very large and very small value orders have been unfixed for some years. On May 1, "Mayday" in the industry's gloomy terminology, the Securities and Exchange Commission ordered an end to the 183-year-old practice of fixing minimum commission rates, opening up the whole range of business to price cutting.

Negotiate and barter

This licence to negotiate and barter individual commission fees, an integral step in the SEC's push for a central U.S. securities market, was a freedom few brokers had ever wanted. During the often bitter seven-year debate that preceded the SEC move, brokers and stock exchanges alike had argued vehemently that an umbrella of fixed rates was vital to the health of the industry.

The industry's quarrel, which came to a climax during the depressing, loss-making days of last summer's market slump, was not with competitive commissions as such. Rather, objections centred on the projected effect of competitive rates in the context of the planned creation of a central stock market.

With the central market placing all dealers on an equal footing as far as trading facilities and information were concerned, the lack of fixed minimum dealing fees was seen as destroying the final incentive for firms to retain Stock Exchange membership. The result, according to Mr. Robert Baldwin, President of Morgan Stanley, would be "a substantial reduction in the number of firms . . . and a fundamental deterioration in the capital raising processes."

Despite these very real objections, as Mayday itself approached the brokerage industry became noticeably less vociferous. It was not so much that the worries had lessened but rather that Wall Street, buoyed up by recent sharp rises in equity prices and much higher daily trading volume, could afford to be more fatalistic. Most agreed that there was excess "fat" on Wall Street that could be eliminated by competition.

When the last bout of resistance crumbled and Mayday actually arrived, many of Wall Street's largest firms were adamant that rate discounting could be kept to a minimum. Amid the then optimistic pre-Mayday forecasts that the larger institutions were expecting discounts of 15 to 20 per cent., Merrill Lynch, Golman Sachs and Oppenheimer were among the firms that took a hard line with maximum predicted price cuts of 15 per cent., and only that much on the very largest deals.

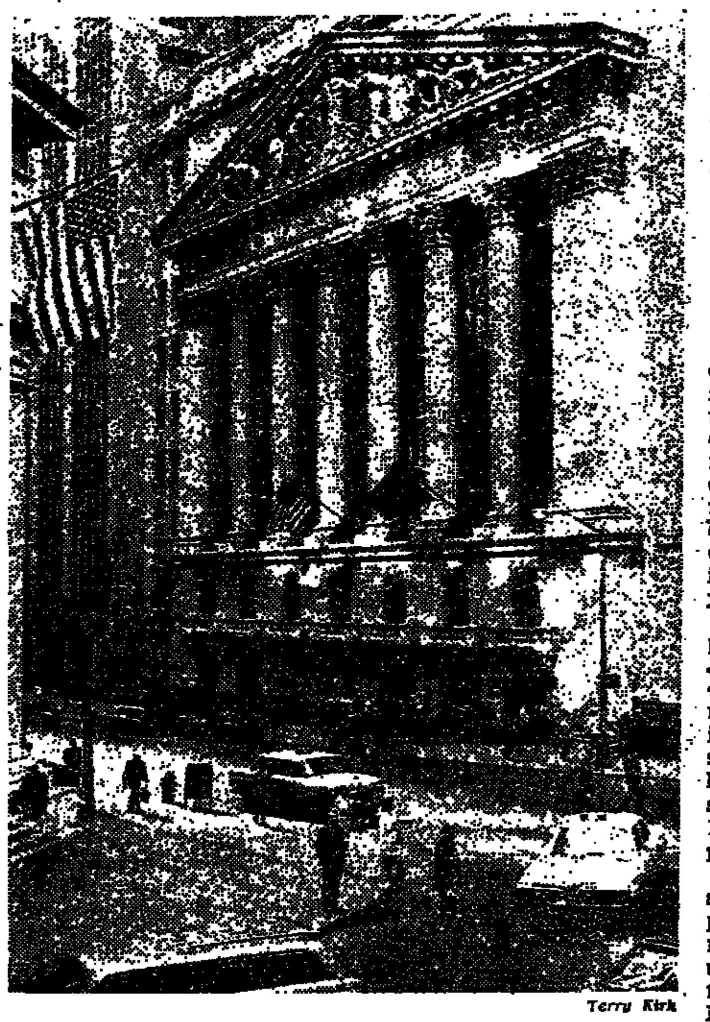
At the same time most of the larger retail-oriented brokers stressed that their charges on smaller, private shareholder deals would actually increase. Some firms came out with special small deal investment packages at commission discounts, but all of these involved certain penalties — typically, next day execution. All firms unbundled private research and announced new charges for clients.

After Mayday the main interest focused on the institutional business. Apart from the fact that this contributes nearly two-thirds of total Exchange activity, it was at this end of the scale that existing firms would face the full force of competition from the recently formed "boutique" firms. Described by some competitors as "butchers" shops, these streamlined trading firms aimed to offer institutions the maximum discounts for simple deals.

Institutional end

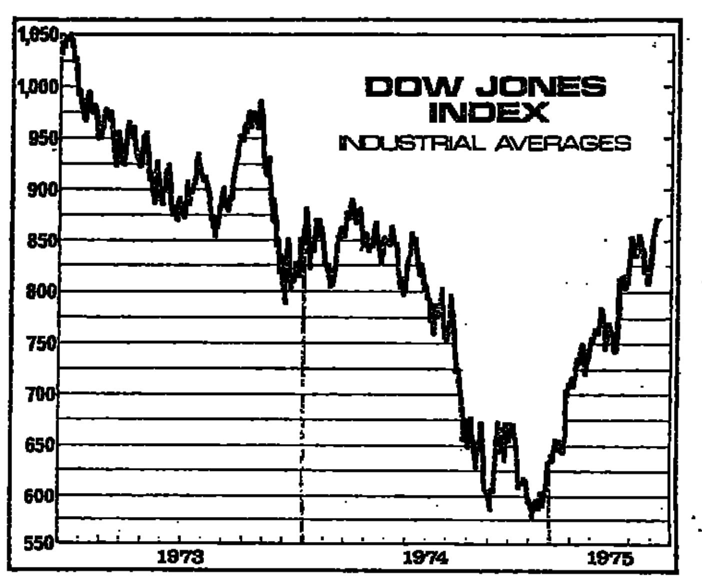
In the event, post-Mayday competition fell entirely on the institutional end of the business. While private shareholders were reported "bored" with marginal commission rate fluctuations, institutional trading costs almost immediately came under pressure. While some high-cost research houses are still reported lagging the field, virtually all of the larger firms have been forced to revise, often hastily, their earlier predicted maximum discount levels just to retain business.

Ironically the pressure for discounting does not appear to come from the institutions but rather from the brokerage industry itself. With the boutiques leading the way, the staunchest advocates of high rates have been forced to fold. Most have been bitter. Oppenheimer, in a letter admitting that it would now have to indulge in massive discounting, blamed clients for believing that "cheap is best" and predicted that many quality firms might have to quit.



Terry Kirk

The New York Stock Exchange: inside, as a result of the May 1 changes, wages a vicious price war certain to force some brokers to close.



The four weeks since Mayday have seen offered discounts steadily increase and the trend has not yet run out of steam. While it is impossible in this sort of fluid situation to come up with any certain figures, the existing average price cuts on large orders would appear to represent 45-50 per cent. discounts on old rates. At the same time some firms have admitted to completing deals at 60 per cent. and even 70 per cent. off old levels.

In fact the discounts on any real comparative basis are almost certainly still larger. In the old days a broker would have accepted an order—say—to sell 10,000 shares only to complete the deal in five separate 2,000 share lots over a number of days. The rate on this would have been far higher than on a nominal single transaction of 10,000 shares. To-day's discounts are quoted in comparison with that single deal cost—a formula that makes a nominal 40 per cent. price cut probably nearer 60 or 70 per cent. in reality.

Future capital adequacy

Such levels of price cuts are, over any length of time, insane for an industry that professes to be worried about its future capital adequacy. The only reason that a number of less competitive firms have not already folded (and they may still do so) is that Wall Street is currently going through one of its most profitable periods for years.

Since last December share prices, as measured by the Dow Jones index, have risen by over 40 per cent., a truly amazing rise compared with the preceding two-year bear market. At the same time, daily trading volume has risen to average over 22m. shares compared with the low 15m. turnover seen in the comparable first quarter of 1974.

With commission rate income so closely tied to volume and prices, the industry's very recent profit recovery becomes understandable. Over the first three months of this year, the New York Stock Exchange member firms reported pre-tax profits of \$287.9m. against \$49m. in the same period of 1974. Some of the largest houses did even better than average, lifting their profits in the three months by a factor of six.

But the position is far from secure. According to the latest NYSE figures (adjusted for the boom in volume), about three-quarters of a typical firm's income comes from commissions. Discounting, it has been estimated, could cut these revenues by up to 25 per cent., reducing total revenues by close to 20 per cent. This is a worrying reduction considering that over 60 per cent. of a broker's costs are accounted for by salaries and other service costs and these could not be cut without severe damage.

Furthermore, there remains a strong possibility that volume trading and even possibly equity prices might once again fall back. Already daily trading volume over the last few days has fallen to the 17m. level and further declines can be expected as the slack summer season draws nearer. While firms may be able to afford discounting now, they may not be able to afford it later.

The institutions, surprised by the extent of the cuts, are certainly worried that the brokerage industry may be damaging the capital markets beyond repair. And they are not alone in their concern—the SEC itself is clearly becoming increasingly unhappy at the way in which sensible competition has been distorted.

In a recent speech Mr. Ray Garrett, the chairman of the SEC and the architect of competitive rates, noted that "the breadth and depth of discounting" exceeds expectations. Although he revealed that the agency is contemplating regulatory action to head off the harmful effects of competition, there is no certainty whatsoever that corrective actions could be put into effect fast enough.

Admittedly, the new Securities Industry Bill, now before President Ford for signing, is expected indirectly to relieve some of the pressure. Although institutions have not been forcing the discounts, they have until now had a fiduciary responsibility to trade at best levels. Fear of future lawsuits has prompted them to read this as lowest costs. The SI bill redefines the term to provide legal cover for paying more than minimum charges when indirect services such as research are included.

When this becomes law, it is expected to improve the lot of Wall Street's research-oriented firms which, for the most part, have been having a hard time in the past few weeks. Their very status has depended on large-scale research but to get any business they have been forced to cut rates in line with the trend. In fact most opted to hold rates at relatively high levels to cover costs and the result has simply been a lack of deals.

Forced to close

Over any period of time, competition on Wall Street will almost certainly mean big changes. It remains to be seen whether or not a large number of firms goes bankrupt but certainly some will be forced to close. One suggestion would have it that in a year or so, Wall Street will be thinned down to three distinct groups of brokers. At one end of the discount scale will be the boutiques, offering a no-frills cheap service on easy order. At the other end will be the few, high quality and expensive research firms. In between will be brokers offering a number of services at less than maximum discounts.

While competition is not necessarily itself dangerous this sort of price-cutting remains unhealthy for such a cyclical sector as the brokerage industry. While the Federal Government may well have to step in to limit the extent of price-cutting, in the interim the industry's vulnerability to market downturns makes it all too easy to be pessimistic.

MEN AND MATTERS

West's way out of Cornhill,

When John West leaves Cornhill Insurance at the end of this month, it will be two years precisely since he became general manager; his short tenure has been ended by policy disagreements which have led to a resignation unusual in the higher reaches of well-established insurance companies.

The disagreements between West, 37, and Cornhill's parent, Thomas Tilling, seem to centre on his desire to expand the company into related financial areas. That looks to have been resisted by Tilling which wants a greater degree of control over Cornhill's affairs. "It's very delicate," says Stanley Harding, financial director of Tilling and chairman of Cornhill. "There has not been an argument. But there are times when there are slight differences in a company . . . where it should or should not expand." Harding acknowledges, too, that West "felt he would like to be more independent."

West started out on the marketing side of insurance with Willis, Faber and Dumas, the large broking group which coincidentally sold out its own 37 per cent. stake in Cornhill to Tilling for £10.5m. eighteen months ago. West left Faber and London for Torquay where he spent four years building up an insurance broking firm of his own.

He sold that to move over to Cornhill (started 1905, into Tilling in 1944) when the company moved into life operations, on which West concentrated his energies for eight years. Cornhill was fairly exceptional among Tilling's subsidiaries (the many others embrace vehicle distribution, construction materials, engineering, furniture, publishing, textiles, tiles and pottery, merchanting, medical supplies) in having a Board composed apart from West of non executives, including Aubrey Jones and Julian Faber, chairman of Willis, Faber.

The executive representation is to be beefed up with West's departure. Two new directors are coming up: 53-year-old Cecil Burrows, West's successor, 30 years with Cornhill and as Harding says with a "more conventional" background: and Ray Treen, 35, an actuary, ex-Unilever, who becomes deputy general manager. As for West himself, he says "I don't expect to be in the dole queue for very long."

Love requited?

This week, for the first time in nearly two years, Western music will be heard in China with the official blessing of Peking. Back in 1973 the anti-Confucius campaign triggered off criticism of Western composers as "bourgeois." Orchestras from France and Canada and a Romanian ballet company had planned visits to China last year, but had to call them off because of the campaign.

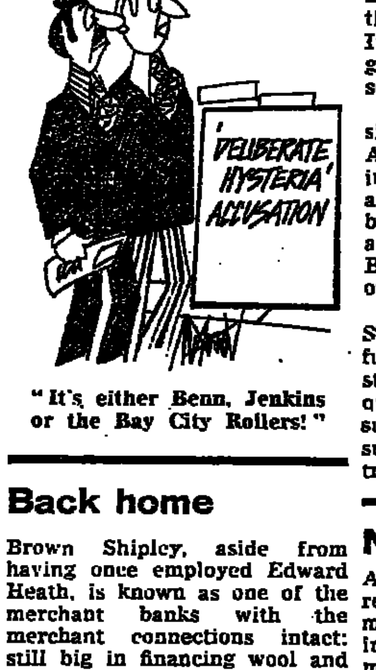
Some quotes from that campaign may now be instructive. For instance commentator Chu Lan, writing in the Red Flag, swept aside "the classical bourgeois composers Bach, Mozart and Beethoven" before dismissing Debussy as typical of "decadent 'fin de siècle' moods of despondency."

It was Beethoven who got the heaviest Chinese criticism, Chu even blaming him for the lyrics of the fourth movement Chorale in the Ninth Symphony. The bits which offended were "All mankind shall be brothers" and "Love to countless millions swelling, wafts one kiss to all the world."

These, Chu thought, "spread bourgeois humanitarian ideas. The 'love of humanity' transcending classes which his musical work proclaimed can never come true in class society. Precisely under cover of the banner of this false 'love of humanity' the bourgeoisie exploited the proletariat and other working people."

To-day, with the anti-bourgeois campaign still going strong, those allowed to carry the standard of Western music back to China are the Rosny children's choir from Tasmania. And what is the anti-bourgeois music the Chinese will welcome? Why *Waltzing Matilda*, plus excerpts from *Mary Poppins* and *The Sound of Music*.

Not one kiss from Mary?



"It's either Benn, Jenkins or the Bay City Rollers!"

Back home

Brown Shipley, aside from having once employed Edward Heath, is known as one of the merchant banks with the merchant connections intact: still big in financing wool and timber, sugar, cocoa and other commodities. But it is not very big by to-day's standards (assets £152m.) and does not get involved much in the noisier end of corporate finance.

"I think you'd find we're much better known abroad than at home," says Ion Garnett-Orme, chairman, and doesn't appear bothered by this. One reason it went into an unusual, and not very profitable speciality, foreign banknotes, was simply that it meant every central bank knows it well.

Garnett-Orme talked yesterday while trying to get the carpet tiles to stay fixed as the Founders Court headquarters of the banking and insurance broking group made ready to welcome the Governor of the Bank of England, from across the way, to an opening ceremony. The Browns have been on the site since 1863, but it has all been rebuilt, over the last four and a half years, to double the space. The Browns (Garnett-Orme's mother was one) had arrived there from Liverpool the business going back to an Irish linen merchant who emigrated to Baltimore and then sent sons out to widen the net.

They did pretty well on both sides of the Atlantic, since Alexander Brown of Baltimore, investment bankers and brokers, and Brown Brothers Harriman, biggest private bank in the U.S., are also the results of Alexander Brown deciding to send his sons out to work.

But can a bank of Brown Shipley's size flourish in the future? Garnett-Orme points to steady growth and says the question is really about the survival of capitalism. "I'm sure it will, and we've got to trade to live."

No comment

According to a local paper report, Jasper Greaves, chairman of a finance house based in Greenwich, makes model monsters out of paper hanging glue and the *Financial Times*. "I tried the *Daily Mirror* and the *Sun*," he said, "but they didn't hold together."

Observer

The teachers who put education last

EVERY now and then—much too often in recent years—one comes across a single, simple bit of information that is enough to make one despair about the future of this country. To-day's must be passed on, but first I should warn that if you are not feeling particularly strong this morning you should brace yourself for what is to come.

It is a number, a nagging statistic, taken from a new book called *The Aims of Primary Education: a Study of Teachers' Opinions.** The teachers—more than 1,500 of them in a pretty good random sample of primary schools in England and Wales—were asked to place in rank order their preferences from a list of 72 given aims of lower school education. The purpose, in the words of the questionnaire, is to show what skills or attributes children in the middle range of ability should acquire before they leave for secondary school.

Fit of gloom

The number that must surely trigger off a fit of gloom in the mind of anybody who thinks about it for a minute is "62." That is the place—62nd out of 72 options—given to knowledge of "simple science" in the value-judgment of this representative sample of teachers in our State primary schools towards the end of a century in which scientific methods of thought have become a fundamental part of our Western culture. Some of the abilities or qualities preferred, like "swim," 42nd, or "enjoyment in leisure interests," 18th, bring yet greater dark down to overshadow the gloom; as for some of the choices towards the bottom of the scale, like "ordered subject knowledge" (for example, history or geography), 69th, or "second language," 72nd—yes 72nd out of 72 in this supposedly European nation—it is hard to speak in the cool calm deliberate manner required of us by Mr. Reginald Prentice.

Although it is not widely known, Mr. Prentice is in fact the Secretary of State for Education and Science. As such (for the next few days at any rate) he is well-placed to offer in the important matter of education the co-operative effort to "try and find joint answers to our problems" that he so ably espouses in his more well-known role of *agent provocateur* for the moderates. Some people might wish to score points off him in the manner he so deplores by saying "what about party-politicking on comprehensives, then?" but the matter is too important for that. The really urgent question in our State schools is about the quality of education that they provide—and if this *is* to be improved the place to start is with the under-11s.

The need can be demonstrated by working down through the list of teachers' preferences. For in Britain there is no power greater than that exercised by the teacher alone in charge of a class. What such teachers think is the best possible guide to the condition of the schools.

Top of the list—first out of 72—is the declared aim that the child should be "happy, cheerful and well balanced." This seems like a delightful idea, the only danger being that if you read the rest of the order of priorities we are in danger of producing a generation of happy, cheerful and well balanced ignoramuses. It is true that "read with understanding" comes second, but "everyday maths" is 15th (after the like of "enjoyment in school work," 5th, and "enthusiastic and eager," 10th) and the four rules of arithmetic come 20th, while "correct spelling" and "modern maths" are 33rd and 34th. It is thought more important to "communicate feelings through some art forms," 39th, than to "write clear and meaningful English," 44th, or understand "basic grammar," 51st.

The distance travelled in the age of "progressive" education can be judged from a neat description provided by the authors of *The Aims of Primary Education on the first page of* their book. "Until the end of the Second World War," they write, "schools catering for the five-11 age group had a well-established tradition of widely shared practices. . . . The purpose of the activities which went on there was readily recognisable and, probably, generally approved. It was clear that teachers were concerned with competence in a *relatively narrow range of skills* related to reading, writing and arithmetic, with some formal knowledge of the culture, with proficiency in a few fringe activities in the fields of physical education, art, craft, and music, and with the development of particular moral values. The whole of this was conducted within a rather *formal framework*. . . ."

What has happened since then is that the primary school teaching force has been divided into two broad camps—with different teachers and headmasters practising their own individual variations on the two central themes. For the child, attenting a State primary school has become a gamble: he or she might run into a good "traditional" teacher or one of the rare *skilful "progressive"* teachers and do well, or there may be a succession of teachers of both types, which leaves the child hopelessly confused; or perhaps most damaging of all, there will be a new young teacher fired with the best progressive, child-centred intentions in the world but commanding not a tenth of the *skill necessary to put them into* practice in a useful way.

In the survey of *The Aims of Primary Education* it was found that older, more experienced, or married teachers favour a more traditional role. They see their job as equipping children to manage in the society in which they will become adults; they direct the work in the classroom. The younger, less experienced, or unmarried teachers (some with higher qualifications) try to produce self-confident individuals. Children are expected to discover their own talents and interests; aesthetic, emotional and personal development is thought of as more important than intellectual skill

It would be wront to exaggerate these dangers. The survey shows that the great *majority of teachers reject both* extreme "traditional" teaching *and* extreme forms of "progressive" teaching. The gamble to which I have referred is probably more serious in London, where teacher turnover is exceptionally high and the child population is extremely mixed, than in more stable parts of the country. It appears that at least the older, more senior tutors in colleges of education place far greater emphasis on science (39th out of 72) than teachers in primary schools, although the tutors' opinions taken as a whole are not very reassuring.

And finally, in this list of soothing qualifications to my general theme, it must be admitted that a good "progressive" teacher who has a small class and sticks with the children for at least two or three school years can, in the right circumstances, produce results quite as excellent as those advertised on the wrapper labelled "child-centred education." The damage is done when these delicate and complex methods are tried by people who only *half-understand* them.

There is a remedy. It is to give parents a far greater degree of control over which school their children shall attend. If headmasters were obliged to treat parents of primary-school-age children as *consumers* (or governors on the *controlling boards*) *the power* of individual teachers to do good or ill according to their own prejudices would be broken. If parents were able to refer to standards of performance by which the service rendered by schools could be judged, so much the better. I must be honest: I believe that such a system would tilt the balance towards the moderately traditional methods that I believe most parents (and according to the new survey most practising teachers) prefer but it would not be monolothic: it would leave plenty of room for a wide variety of schools, including the most progressive.

As Mr. Prentice knows, there is the basis for a Left-Right agreement here. Those on the Left who oppose tests and the 11-plus do so because they believe that the result is discrimination against the children who fail. There is no such opposition (except from organised teachers) when it comes to tests designed to assess the performance *of the teachers themselves*. The difficulty *here is largely technical*: how do you design tests that are both fair and informative, and yet avoid the trap of making the whole of school life a preparation for them?

Under Mr. Prentice's guidance the Department of Education has set up a new assessment of performance unit" whose purpose is to devise methods of testing that get around these technical difficulties. It is likely to start with methods of monitoring language ability (since the recent *Bullock Report, nothing* so clear-cut as simple ability to read is acknowledged) and proceed from there to tests of numeracy. In time this could lead to a set of yardsticks by which local education authorities could measure the performance of individual schools, without hurting the sensibilities of those who cannot bear to see children fail examinations.

Sophisticated

This is better than nothing, *but not much better. Our top* level debates about education have now become too sophisticated to be practical: the Bullock Report is the classic example. It is true that knowing how to spell a word, or even how to define it, is not quite the same as knowing how to use it—but even so it should be possible to test the minimal skills required by primary schoolchildren (and most of all by working class children who may not get so much learning in the home) without endless debates, usually conducted by *public school* and *Oxbridge-*trained "experts," of a kind that make Wittgenstein's *Tractatus Logico Philosophicus* seem like a first book of nursery rhymes. Until we have solid, easily understood, national minimum standards enforced by parent-power. State primary education will remain a matter for despair.

Mr. Reg Prentice visiting an East London infants' school: under his guidance the Department of Education has set up a new "assessment of performance unit" whose purpose is to devise methods of testing which are both fair and informative.

* *The Aims of Primary Education: a Study of Teachers' Opinions. Patricia Ashton et al. Schools Council Research Studies/Macmillan Education.*

Letters to the Editor

One Union and its power

From The General Secretary, Telecommunications Staff Association.

Sir,—It has been confirmed by letter on May 22, 1975, that the Post Office, a public authority since 1969, has accepted in principle the claim for compulsory trade union membership, and is prepared to enter into negotiation with the Union of Post Office Workers on the detail of a provisional agreement and, subject to the legal position, the aim is to conclude negotiations by October 1, 1975.

Under the Industrial Relations Act 1971 pre entry "closed shops" were made illegal and *every man* and woman had the unqualified right to apply for employment as a telephonist without the compulsion of joining the recognised union if accepted. The TULR Act 1974 not *only restored the position to* pre 1971, but has positively encouraged the TUC rule of might is right to the total exclusion of minority representation and Mr. Tom Jackson was quick to seize the *opportunity of killing off* the opposition that had successfully beaten his doctrine at the Court of Appeal and the House of Lords not once but twice.

And so in October, 1975, it might well become a condition of employment for a Post Office telephonist to join the UPW or sell his/her labour to a private concern, and maybe forfeit many years of loyal service leading to pensionable retirement rather than submit to union dictatorship. Since most telephonists are already members of that recognised union why the fuss and for what reason do the minority still exercise their right to freedom of choice in a democratic society.

The reason *is* simple and should concern us all. By agreeing to the application for compulsory union membership of one politically motivated organisation, Sir William Ryland is placing the communications network (both postal and telephones) in the hands of the militants who once before attempted to hold the country to ransom for 13 weeks in 1971. The defeat of that particular strike was attributed to the efforts of telephonists who remained at their posts and refused to take orders from a union executive who had not submitted the wage claim to arbitration as specified in a joint agreement with the employer.

Are we now prepared to place this power in the hands of any single trade union who may in pursuit of a wage demand or alternatively for political reasons *elect to use the ultimate weapon* by withdrawal of labour? This is not an argument about inter-union conflict or even the merit of enforcing a closed shop where it has never been necessary but in my opinion a simple question of national security above all else.

John Butt,
72 Queens Road,
Croydon, Surrey.

Insurance for solicitors

From Mr. N. H. Carter.

Sir,—The announcement by the Law Society of an obligatory insurance scheme arranged by the society's brokers in the insurance market makes me wonder whether this decision has been made with the approval of the profession as a whole.

In 1973 at Torquay, I understand the profession gave a mandate to the council, backing the idea of compulsory insurance and, if it was possible to arrange a block scheme, to do so, provided that the premium was cheaper than those currently available in the insurance market.

As an insurance broker with a considerable interest in this class of business, it appears that it will only be very substantial firms of solicitors which will achieve a saving in premium. It therefore occurs to me that the Law Society might have misjudged the profession in this matter and exceeded its authority.

I feel that solicitors should be insured and it should be compulsory for them to be so. It should, however, be open for the solicitor to choose with whom he is to be insured, provided it is with a recognised insurance company or underwriter.

N. H. Carter,
The Solicitors' Insurance Advisory Services,
121, Cannon Street, E.C.4.

A tax on oil—a coal subsidy

From Mr. J Goodland

Sir,—It is indeed good news that oil disposals are down and that supplies from the U.K. sector of the North Sea are coming ashore soon: this against a background of increasing disillusionment with nuclear energy, apprehension about OPEC's next move, some doubts about the British title to "our" rich reserves of oil and gas in the North Sea, *and a growing realisation that* these short-lived resources are already becoming fully pledged.

It is even better news that coal is coming back into its own once again, and that this resurgence of interest in coal as a universal supplier of energy appears to be world-wide.

So why could not our Government (whatever the result of the referendum) slap a pound a barrel tax on oil imports from OPEC, on U.S. lines, and (if needs be) give a corresponding subsidy for coal exports to those of our trading partners with whom we are in such a parlous deficit?

This proposal makes sense in the context of increased availability of coal, reduced oil demand, and the urgent need to rectify our balance of payments deficit.

John Goodland.
Down House,
Pyleigh, Taunton, Som.

Outstanding tax liabilities

From Mr. A. Ring.

Sir,—A very serious anomaly arises from the clauses in the new Finance Bill relating to the payment of interest on tax unpaid by the due date, particularly where tax assessments have not been agreed *through a genuine* dispute as to the interpretation of tax legislation.

The taxpayer, in this situation, is faced with the choice of either conceding his position to the *Revenue, without obtaining* an independent decision from the Commissioners or Courts, or risking a future interest charge of 9 per cent. net of tax. For companies which are paying tax, this *represents an interest charge of* about 18 per cent. gross, which is considerably above to-day's market rate of interest, and to an individual taxpayer paying the top rate of 83 per cent. or 98 per cent., the effective gross rate rises to 53 per cent. or 450 per cent. per annum!

It may be argued, I suppose, that an individual who borrowed from another source (other than for the purposes of his business) would not get a tax deduction for the interest borne on the loan, but in many cases an individual paying tax at these rates will be in a position to set aside the funds needed for payment of tax. Therefore, he may on the one hand have money on bank deposit at, maybe, 10 per cent. gross (.2 per cent. net), and yet if he loses his appeal he will be paying interest at 450 per cent. gross (9 per cent. net). If he should decide to safeguard his position by paying tax on account, he is not entitled to receive interest in the event of winning the appeal.

A possible solution is to give the taxpayer the choice of either paying interest as presently provided at 9 per cent., which would not be deductible, or paying a market rate of interest (say 14 per cent. in present circumstances) which would be tax deductible whether the taxpayer was a company, an individual or a trustee.

A practitioner would then be able to proceed with an appeal on its merits without worrying about the impact on his client's affairs if the appeal should be lost. The practitioner would advise the client to set funds aside earning interest as near as possible equal in gross terms to the potential interest payments to the Revenue, and, if he should lose the client would thus end roughly in a breakeven position.

A. J. Ring.
International Marine Banking,
40, Basinghall Street, E.C.2.

Help for the small firm

From the Managing Director, L.E. Management Consultants.

Sir,—I was pleased to see that your survey of Finance for the Smaller Company (May 24) included a section on Advice Available, making special mention of organisations which combine finance with advisory services. Not mentioned, however, was the subject of the best advice which a small firm can receive—how to generate its own finance from ploughed back profits.

With present tax burdens and inflation, it is certainly becoming much more difficult for the smaller firm to be self-financing and thus retain its full independence. At the worst, it may be forced to limit its aspirations to the finance which it is generating. At the best, for a healthy small firm sector to exist, it must get into a position where it can realise all its aspirations.

There is no doubt that it is in the attainment of the financial control skills that the small businessman has the greatest growing pains. Unfortunately, the *purely financial adviser* is not equipped to help because he does not talk the same language as the small firm owner—who, in any case, suspects that financiers are interested only in making a profit out of him and are obsessed by security and guarantees.

There is a very great need for practical advice in this field from independent consultants who have gained the experience required to view companies as profit generating entities and, as a result, can link specific managerial action to improved profitability. This involves the client's paying more tax, which goes against the grain, but it also means having an outsider in the business, even if only temporarily or part time.

This is why, although, as Tom Kyte says, there is a great need for such consultants' services, the lack of initiative in the form of a positive want expressed by small businessmen is a constant frustration to the growing number of independent management advisers able to provide such services.

O. R. J. Lee.
5, West Side Common,
London, S.W.19.

Deep-sea mining

From the Technical Controller, Consolidated Gold Fields.

Sir,—In reply to Georgina Chamber's letter (May 22) asking on what, and whose, research I based the facts given in my letter of May 13, my main sources were publications by Horn Delach and Horn of Lamont - Doherty Geological Observatory of Columbia University, and in particular their Technical Report No. 3, NSF, GX33616 (1973) published by International Decade of Ocean Exploration National Science Foundation, Washington, DC. This collates analyses of many nodule samples taken from the oceans of the world by various workers.

My estimate of the proportion of nodules that might be recovered into a processing plant is based partially on the work of the consortium with which Consolidated Gold Fields is associated, and partially on several publications in the technical literature.

A. G. Moncrieff,
49, Moorgate,
London, E.C.2.

Academic malaise

From Mr. A. J. Beasant and Mr. J. D. Robson.

Sir,—We feel that our combined backgrounds (one an apprenticeship and the other a university degree) allow us to give both an informed and unbiased view-point about engineering undergraduates' problems (May 21).

It is probably not unfair to assume that *few* of Professor Mair's undergraduates have substantially more than the statutory minimum of four weeks "practical" experience in industry.

What is the purpose of the "practical" experience? If it is *merely to allow the under*graduate to look at industry from the inside then surely it is understandable that with nearly 1m. unemployed and most factories on the standard week or short time, *industrial companies* cannot financially, politically or morally employ a number of undergraduates for a period of four weeks to "look round from the inside."

However, if it is indeed to provide a significant practical side to the engineering degree, then surely it cannot be assumed that in four weeks, or thereabouts, an undergraduate will learn sufficient to enable him to make any sort of contribution to the industrial sector immediately upon his graduation.

Messrs. Mair, Wallace, Kirkman *and Wylie's letter does show* clearly the malaise existing in the academic sector. They do not themselves understand the true state of life inside British engineering, and are therefore unprepared to instil in their undergraduates the necessary combination of humility, patience and a willingness to accept that they must spend a period of two or three years learning the practical as well as the theoretical side of engineering. Only then *will* they be able to make a significant contribution to British industry.

The malaise of the industrial sector is of course the shortsightedness in not recognising the need for an ordered and adequate two or three year training programme providing full development of the graduates' practical skills.

But what is the solution? The awarding of a degree in engineering should be dependent on a much more realistic blend of practical and academic experience such that the graduate can worthily call himself an "engineer." Until the two sides put co-operation fully into practice so that a degree in engineering can be a qualification recognised and respected in both academic and industrial circles. Messrs. Mair, Wallace, Kirkman and Wylie will periodically experience great difficulty in finding "suitable" openings for their undergraduates' "practical" experience.

A. J. Beasant,
J. D. Robson,
9-11, Bridge Street,
Pershore, Worcs.

Grounding Mr. Benn

From Mr. Geoffrey Pattie, MP (C) for Chertsey and Walton

Sir,—Michael Donne made certain observations about nationalisation in his article on the Paris Air Show (May 22) which I feel call for comment.

I have reason to believe that the Government has already decided that it will not proceed with nationalisation of the aircraft industry because of the high cost, the legislation log jam, and the antipathy in the Cabinet towards the Bill's sponsor, Mr. Anthony Wedgwood Benn. In addition there is evidence of growing hostility to nationalisation within the industry among both shop stewards and middle management. A decision not to go ahead could only be welcomed by all those who realise the extent of our economic crisis and who feel it to be bizarre for us to be about to spend £250m. that we have not got to take into public ownership an industry which bids fair to produce £900m. in foreign exchange earnings this year.

Like most people in the industry, your Aerospace Correspondent is an enthusiast about aircraft and all that goes with them. He sees the debate about nationalisation as paralysing the industry with indecision and therefore wants it either to go away or to be got over as quickly and painlessly as possible. I sympathise so much with this feeling from people who want no part in politics but who seem unable to realise that the forces of the left are after workers' control of their industry as part of a struggle for power.

I suspect that the same people have a pretty fair idea of what the British aerospace industry would be like after nationalisation, with commercial decision-making resting in Whitehall and the industry championed in the ruthlessly competitive world markets by the enterpreneurial flair of our civil service.

Now is the time for the moderate majority in the industry to *organise together and* to tell the 314 MPs who have constituents working in the industry that they will not have this monstrous piece of legislation. The workers at Westland told Mr. Benn what he could do with this Bill. The rest of the industry should now do the same.

Geoffrey Pattie,
House of Commons,
London, SW1.

To-day's Events

GENERAL

Sterling gold and convertible currency holdings at end of May published.

Mr. Harold Wilson, Prime Minister, appears on Nationwide, BBC-1, 6 p.m.

Sir Christopher Soames, EEC Commissioner, speaks on "Quality of Life: My Hope for the Future." St. Lawrence Jewry next Guildhall, London, 1.15 p.m.

Duke of Edinburgh attends National Academic Awards degree ceremony. Queen Elizabeth Hall, London, 10.30 a.m.

Telecommunications conference and exhibition opens. Metropole Exhibition Hall, Brighton.

Institute of Chartered Accountants in England and Wales *annual meeting*. Moorgate Place, London, 11 a.m.

SPORT

Boxing: British Light-heavyweight Championship: Chris Finnegan v. Johnny Frankham, Royal Albert Hall, London.

OFFICIAL STATISTICS

Capital issues and redemptions (May).

COMPANY RESULTS

De La Rue (full year).

J. H. Fenner and Company (Holdings) (half-year).

McCorquodale (half-year).

COMPANY MEETINGS

Boustead, Bedford, 2.30.

Bowthorpe, Crawley, 12.

Carpets Int., 14, Berners Street, W., 12.

Davies and Newman, Great Eastern Hotel, E.C., 12.

Francis Inds., Waldorf Hotel, W.C., 3.

Hestair, Savoy Hotel, W.C., 12.

Le Bas (Edward), Savoy Hotel, W.C., 12.

Lilley (F. J. C.), Glasgow, 12.

Lubok Invs., 30, St. Paul's Churchyard, E.C., 11.30.

National Provident Institution, 48, Gracechurch Street, E.C., 12.15.

Quick (H. and J.), Manchester, 11.

Rotaflex, 241, City Road, E.C., 10.

COMPANY NEWS + COMMENT

Morgan Crucible first quarter decline

REFLECTING higher finance charges of £664,000 against £450,000 pre-tax profit of Morgan Crucible Co. declined from £1.2m. to £1.09m. for the three months ended March 30, 1975. Profit for the last full year was £6.35m.

Chairman Mr H. I. Matthey says that finance charges in the second quarter will not exceed those of the first.

Earnings for the three months are shown at 1.4p (1.8p) per 25p share.

	Three months 1975 £000	1974 £000
External sales	15 775	13 870
Carbon division	6 644	5 372
Thermic division	5 651	4 137
Electronics division	1,800	1,946
Acorn division	1,744	1,171
Other activities	536	1,081
Trading profit	1,741	1,671
Carbon division	437	405
Thermic division	1,106	721
Electronics division	56	168
Acorn division	147	177
Other activities	145	202
Investment income	13	6
Finance charges	664	458
Profit before tax	1,092	1,197
Tax	528	534
Profit after tax	564	665
Minority profits	90	32
Extra-ord. debits	97	12
Attributable	377	573

Comparing the profit figure with that of the first quarter of 1974, the fall in the ratio of trading profit to sales is directly accounted for by the sharp world recession in the electronic and consumer durable industries which first became evident in the closing months of 1974. Some redundancies could not be avoided. The cost of these in Steatite and Porcelain Products amounted in the first quarter to £85,000, says the chairman.

● comment

Morgan Crucible's thermic division has produced a 53 per cent. increase in first quarter profits, and the group reckons this is a significant pointer towards medium-term prospects. The iron processing and steel industries, apparently, are now prepared to spend more on energy conservation, while margins of 19.5 per cent. (1974 first quarter: 17.5 per cent.) certainly justify the growing emphasis here. But the outcome in Carbons is ambiguous, since double running costs reduced the comparable figure last year, and no more than break-even in Electronics is expected by the half-way stage. At 93½p, a yield of around 7 per cent. looks about right.

HIGHLIGHTS

The **Metal Box** results, indicating relatively little growth in the second half, were reckoned rather disappointing and coolly received in the market yesterday. But **Hanson Trust** scored a 4½p rise in half-year figures reflecting the Seacoast acquisition: and **Foseco** hardened on the first-quarter statement. The **John Brown** warning of losses at CJB and intimation that there will be no final dividend came well after hours (all these are discussed in the Lex column). First-quarter earnings of **Morgan Crucible** are lower and a "difficult" year is in prospect; but **Martin the Newsagent** at half-time reports profits up by a quarter and good results for the full year are shown by **Percy Bilton** which adds that for the first four months of the current year profits are "encouragingly ahead." **James Finlay's** profits are well up, thanks to a bigger contribution from its associate tea companies, but **Brook Street Bureau** has sustained a decline.

East Sussex Engineering sales rise

At the annual meeting of East Sussex Engineering Group chairman Mr. E. E. Burchell said taking the first four months to the end of April, the annualised trend for the current year, as compared with the sales for the year ended 1974 showed an increase of 19 per cent. He had no doubt of a continuing improvement, but the high sales throughput was at the expense of order book.

Sales were being recorded at a far higher rate than order input. While he would still reiterate that the year as a whole would show an improvement over 1974, it would require great efforts to build and secure a sufficient momentum to continue the growth in 1976.

Chairman's statement Page 22

£0.76m. by James Dawson

GROUP TURNOVER for the year to March 31, 1975, of **James Dawson and Son** increased from £2.19m. to £3.21m., and pre-tax profit expanded from £0.51m. to £0.76m., after £0.35m. (£0.22m.) for the first half.

Earnings per 25p share for the year advanced from 7.08p to 9.3p, and the dividend is lifted from 4.06p to 4.42p net with a final of 3.17p.

	1974-75 £	1973-74 £
Turnover	3,213,585	2,186,510
Trading profit	684,279	426,651
Investment income	73,788	81,917
Profit before tax	758,067	508,563
Taxation*	386,200	234,959
Other income†	—	11,409
Net profit	371,867	285,018
Dividends	176,800	162,400
Retained	195,067	111,618

* On trading income £196,000 (£124,790); on investment income £31,850 (£33,166); tax equalisation—capital allowances £80,000 (£81,000); stock relief £83,350 (£34,760); transitional credit ACT nil (£18,737). † Profit on sale investments after £4,589 tax.

The company manufactures high quality belts for industry.

● comment

It was fairly clear at the half-way stage that **James Dawson** was heading for a sound year: at that stage profits were some 61 per cent. higher while the order position remained strong. An overall profits growth of about 50 per cent., therefore, holds few surprises. But trading is now a different story. Orders are lower on the back of a cutback in expenditure by both the farmers and the food processing sector. So despite the strength of its specialist belting products the company looks faced with some possible earnings shortfall in 1975-1976. The shares at 59p will be in need of the 12 per cent. yield (covered about twice).

Second half at Macanie lower than expected

In spite of trading conditions becoming progressively more difficult towards the end of the year, pre-tax profit of **Macanie (London)**, makers of plastic clothing and a subsidiary of Courtaulds, expanded from £372,000 to £500,000 in 1974.

The directors warn, though, that the downturn has continued into 1975.

At halftime, when pre-tax profit was up from £100,000 to £304,000, the directors said the second half should see this improvement maintained.

Earnings per 10p share are shown to be up from 2.18p to 2.45p and the dividend is lifted from 1.34p to 1.4725p net, with a final of 1.1375p.

	1974 £000	1973 £000
External sales	19,456	16,938
Profit before tax	500	372
Taxation	283	181
Net profit	217	191
Minorities	9	13
Attributable	208	178
Dividends	121	119
Retained	87	68

Elswick Hopper expansion

THE unquantified record profit forecast by **Elswick-Hopper** emerges at £380,411 for the year to January 31, 1975, compared with £242,814, after £184,000 (£113,000) for the first half.

Earnings per 5p share increased from 1.63p to 2.19p and the dividend is stepped up from 0.3675p to 0.5925p with a final of 0.3p as foreshadowed.

The improvement in trading arises from the progressive reconstruction of the group, referred to in the half-year report, and which showed its continuing benefits in the second half, the directors state.

The increased dividend is authorised by the Treasury in view of the recovery of the group's trading.

Management accounts show that profits in the first three months of the current trading year have been more than maintained as compared wto the same period of 1974. Management views prospects with confidence, the directors add.

Since the end of the financial year the group has taken a controlling interest in a new venture, FarmKey, which provides agricultural supplies, livestock, services and know-how to the oil producing countries of North Africa and the Middle East. Present indications are that this enterprise will in due course generate substantial additional profits to the group.

Elswick-Hopper distributes and manufactures bicycles, agriculture equipment and light engineering supplies.

	1974-75 £	1973-74 £
Group turnover	4,186,498	3,052,009
Profit before tax	380,411	242,814
Taxation	161,327	86,913
Net profit after tax	219,084	155,901
Extraordinary credits	*31,363	†45,971
Attributable	250,447	109,930
Dividends	61,860	35,240

* Profit on sale of a factory together with surplus on an insurance claim less losses on listed investments, subject to related tax. † Debits.

Martin Newsagent tops £1.1m.

ON TURNOVER 39 per cent. higher at £22m. Martin the Newsagent reports a 27.1 per cent. expansion in pre-tax profit from £875,987 to £1.11m. for the six months ended March 30, 1975.

The directors say that volume sales of cigarettes are expected to fall following the recent duty increase, but no clear trend is yet apparent: a substantial wage award to shop assistants is about to be implemented. Although these factors, combined with other rising costs, will affect profitability in the second half, they expect the profit for the full year to be up on last year's £1.51m.

Earnings per 25p share are shown to have risen from 8.54p to 10.4p and the interim dividend is lifted from 1.6576p to 1.8091p net. Last year's total payment was 3.6604p.

Depreciation for the half-year amounted to £161,055 (£109,457).

	Half-year 1974-75 £	1973-74 £
Sales	22,016,000	13,945,000
Trading profit	1,122,809	896,907
Interest	9,274	20,920
Profit before tax	1,113,535	875,987
Taxation	573,900	447,000
Net profit	540,635	428,987
Preference dividend	4,049	4,049
Attributable to Ord.	536,586	424,938
Interim dividend	93,340	82,520
Retained	443,246	342,418

● comment

Martin's first half performance is almost identical to that of NSS, with price increases in confectionery, newspapers and tobacco all bolstering profits. Like NSS, Martin would have had a good start to the second half, particularly while pre-Budget tobacco stocks lasted. But now that these have finally been exhausted it could well follow that volume will suffer much the same as seen in confectionery. That, on top of steadily rising overheads, will no doubt knock second half profits despite the benefit from higher cover charges on newspapers. Moreover, Martin has been less vigorous than NSS in the expansion of outlets, recently, so it may be more vulnerable to short term problems. At 143p Martin's shares are yielding a maximum 4.3 per cent. against the 5.1 of NSS.

Freddie Mansfield

Mr. Alex W. Page, chairman of Metal Box, yesterday announced profits up from £29.91m. to £36.71m. for the year ended March 31, 1975. (See Page 22.)

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Brook Street	0.53	August 6	—	4.2	3.82*
James Dawson	3.17	—	3.06	4.42	4.06
Elswick-Hopper	0.3	—	0.18	0.59	0.37
Fairdale Textiles	0.9	—	0.82	1.3	1.22
Gough Bros.	1.82	July 10	1.74	2.76	2.72
James Finlay ......2nd int.	1.94	July 18	2.33*	3.82	3.5*
Firmin	3.52	—	4	5.52	5.05
Macanie (London)	1.14	—	1.34	2.54	2.18
Martin the Newsagent int.	1.81	July 5	1.66	—	3.66
Metal Box	5.87	July 18	5.36	10.22	9.41
Palmerston ......int.	0.53	June 30	0.57	—	1.65
B. Paradise	1.05	July 28	1.63	2.1	2.68
Turriff Constrn.	3.44	—	3.15	3.44	3.15
Westpool Inv.	1.25	July 30	1.05	2.12	1.92

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Record £0.26m. by Firmin—100% scrip

In spite of the known difficulties in industry, profit before tax of **Firmin and Sons**, makers of badges, buttons and military ornaments, expanded from £216,780 to a record £258,993 in 1974 after £122,000, against £82,000 at halfway.

Stated earnings per 25p share are up from 16.5p to 19.1p and the final dividend is the maximum permitted 3.522p net, which raises the total from 5.05p to 5.522p. The directors explain that the problem of avoiding a shortfall in this close company's distribution does not arise this year because of the effect of the stock relief announced by the Chancellor.

A one-for-one scrip is being proposed, requiring £162,615. This will increase the fully paid capital to £352,230 and the directors are also planning to increase the authorised capital from £200,000 to £400,000.

Turnover for the year increased by £164,852 to £919,220, of which £118,750 was for increased exports.

	1974 £	1973 £
Turnover*	919,220	754,368
Profit on trading	227,582	203,256
Interest receivable	31,411	13,524
Profit before tax	258,993	216,780
Taxation	134,597	109,454
Profit after tax	124,396	107,326
Dividends	35,920	32,848
Retained	88,476	74,478

* Including exports of £436,320 (£317,570).

B. Paradise £111,419 fall

Manufacturers and distributors of clothing **B. Paradise** report a contraction in profit before tax from £205,190 to £94,771 for the year ended January 31, 1975, on turnover down from £3.38m. to £2.68m.

At halfway when reporting profits down from £77,000 to £48,000, the directors said although overall profits were not expected to equal those of last year, the second six months "may well be comparable" with the corresponding period.

They now say that sales and orders are currently standing at a higher level than for the same period last year but, in view of the constant increase in all costs, it is impossible at the present time to forecast profits for the current year.

Earnings are shown to be down from 11.9p to 4.81p per 10p share and the dividend is trimmed from 2.683p to 2.1p with a final payment of 1.05p net.

After tax of £34,620 (£57,460) the attributable balance emerges at £60,151, compared with £223,299, which includes profit on sale of property of £74,569.

Hanover Grand long-term optimism

Despite substantially increased turnover, the constant trend of rising prime costs and overheads made it impossible for the profit margins of Hanover Grand to be maintained in 1974, says the chairman, Mr. C. L. Lewis.

He points out that the setting-up costs of two new ventures have been absorbed in the accounts, and while it has taken longer than anticipated for them to operate profitably prospects are promising. The volume of business with overseas visitors has continued to grow.

While the Board is optimistic for the long term future of the company at present it is considered prudent to conserve funds, and accordingly the Ordinary dividend is passed (0.9526p net for 1973).

As reported on May 30, group pre-tax profit contracted from £214,055 to £45,742.

An analysis of turnover and trading profit shows catering £1,357,351 (£1,055,785) and loss £14,230 (profit £152,257); hotel operating £412,035 (£372,051) and profit £23,644 (£20,198); merchandising £500,118 (£352,900) and £22,364 (£30,059); coach operating £367,264 (£315,204) and £13,984 (£11,541).

Meeting, Winchester House, E.C., June 23 at 10 a.m.

ISSUE NEWS

PREMIER RIGHTS

Premier Consolidated Oilfields propose to issue 26,151,386 Ordinary 5p shares by way of rights at par to holders registered on May 30, in proportion of one new share for every one held. A similar offer will be made to Loan Stockholders.

An EGM has been convened for June 18, 1975.

MANBRE & GARTON

Manbre & Garton announces that acceptances have been received in respect of about 91.7 per cent. of the total number of shares recently offered by way of rights. Those shares not taken up have been sold for the benefit of entitled holders.

ASH & LACY

Ash and Lacy has received acceptances of its rights issue on behalf of over 95 per cent. of the shares offered. The remainder have been sold at a net premium of 30p over the issue price.

Upsurge to £4.36m. for James Finlay

THE SIGNIFICANT profit growth for 1974 intimated by James Finlay turns out to be an advance of £1.74m. to £4.36m.

Earnings per 50p share are up from 17p to 19p: the dividend is effectively raised from 3.496p to 3.82p net, with a second interim of 1.94p.

	1974 £000	1973 £000
Turnover	34,539	26,573
Investment income	130	105
Associates	2,766	957
Profit before tax	4,363	2,623
Taxation	2,607	1,059
Net profit	1,756	1,564
Minorities	25	45
Extraordinary debit	555	*912
Attributable	1,150	2,433
Dividends	365	331

* Credit.

● comment

Some of Finlay's industrial operations—notably in Canada and Payne in the U.K.—had a hard struggle last year: but the bank made an extra £220,000 in its first full year and international confirming continued to move well. Thus excluding the tea associates, profits overall are only slightly lower—and cum the associates they are two-thirds higher pre-tax. The hope is that healthy prices and forward selling can sustain the tea side in 1975 when there could be recovery elsewhere. A 1974 tax charge of nearly 60 per cent. disappoints at the earnings level. But at 147p a yield of 4 per cent. is still very solidly covered.

Westpool earns and pays more

After a rise from £101,700 to £128,500 at halfway revenue before tax of **Westpool Investment Trust** advanced from £235,054 to £296,520 for the year ended April 30, 1975.

Gross revenue is up from £400,572 to £449,990 and expenses and interest take £153,470 against £165,508.

A final payment of 1.25p raises the dividend total from 1.925p to 2.125p net.

After tax of £112,279 compared with £54,086 the net balance emerges at £184,241 against £180,978.

Net asset value per 25p share is 97p (81p).

£0.5m. drop at Brook Street

FOLLOWING the interim forecast that despite increased turnover, year-end results might not reach those of 1973, pre-tax profit of **Brook Street Bureau of Mayfair** declined from £1.81m. to £1.28m. during 1974.

Joint chairman Mr. Eric Hurst predicts that subject to unforeseen circumstances, pre-tax profit for the first half of the current year should exceed £500,000 and those of the second half could well exceed those of the second six months of 1974. In the first half of last year pre-tax profit was £858,874 and the second half £421,374.

Dividend total is up from an adjusted 3.82p to 4.204p net, with a final of 0.531p. At the gross level of 6.299p (5.623p) the total is the maximum allowed.

	1974 £	1973 £
Turnover	15,080,709	14,822,900
Group profit before tax	1,280,250	1,810,211
Tax	658,364	924,387
U.K.	474,948	748,336
Overseas	207,171	166,018
Less prev. year's adj.	23,755	5,845
Profit after tax	621,886	885,821
Goodwill written off	—	304,327
Branch development	—	39,017
Tax equalisation	—	10,606
Loss on conversion of fixed assets overseas	18,301	117,590
Attributable	607,585	379,340
Dividends	184,325	252,562
Undistributed	419,260	126,778
Forward	*1,154,696	535,340

* After transfers of £122,994 to reserves. † Gain.

Mr. Hurst says that despite an increase in turnover, pre-tax profit was almost 30 per cent. less than in the previous, exceptionally buoyant, year. This, and the distortion between first and second half-year profits, is however, only partly due to a change in trading conditions and is, in fact, largely attributable to non-recurring items, the heaviest impact of which coincided with a diminution in trading activity during the fourth quarter, he explains.

Looking to the future, he says that the company's fortunes are unlikely to be closely related to gross national unemployment figures, which reflect in the main on male manual areas of labour. Thus, while "temporary" business has only just begun to exhibit its normal seasonal upturn, revenue from the placing of permanent staff shows a "modest" increase over last year.

● comment

Brook Street Bureau reckons non-recurring factors like relocation costs, fee restrictions imposed by the Price Commission and (unquantified) provisions for bad debts are largely to blame for the 53 per cent. fall in second half profits. Nevertheless, whatever the normal resilience attached to BSB's share in the labour market (office/secretarial), an implied outcome for 1975 of around £1m. does suggest that profits are heading downward. In addition the concentration on permanent placings—over 60 per cent. of U.K. revenue — may hinder penetration of comparable markets in the EEC, since existing regulations allow consultancy, not placing, fees. A yield of 17.2 per cent. at 37p gives one impression of investors' risks exposure, but net cash, conversely, is worth over 11p a share.

Fairdale Textiles

Fairdale Textiles is raising its dividend from 1.217485p to 1.3p net per 5p share for the year to February 1, 1975 with a final of 0.9p, and proposes to make a one-for-two scrip issue in "A" Non-Voting shares.

Profit increased from £402,638 to £417,996, subject to tax of £226,384 (£221,830). Earnings per share were 4.7p (4.4p).

Metal Box second half slowdown

THE INCREASED profit forecast by Metal Box for the year to March 31, 1975, turns out to be from £29.91m. to £36.71m., after a sharp first half rise from £13.31m. to £19.83m. Sales for the year expanded from £353.81m. to £455.59m.

Earnings per £1 share increased from 29.6p to 35.2p, and the dividend is raised from 9.4060p to 10.2217p net with a final of 5.8688p.

During the year capital expenditure, at home and overseas, was £35.5m.

Sales of Metal Box Overseas expanded from £125.43m. to £163.44m., and pre-tax profit advanced from £11.59m. to £15.86m.

METAL BOX GROUP

	1975 £000	1974 £000
Home sales	292,148	228,385
Overseas	163,439	125,426
Total sales	**455,587**	**353,811**
Home trading surplus	20,847	18,320
Overseas	15,858	11,592
Total profit	**36,705**	**29,912**
Taxation	17,301	14,055
Minority holders	3,050	2,085
Extraordinary credits	288	*250
Attributable	**16,442**	**13,572**
Retained by subs.	3,580	2,432
Net balance	12,862	11,140
Dividends	4,788	4,386
Retained holding co.	8,074	6,754

* Debits.

METAL BOX OVERSEAS

Sales	163,439	125,426
Pre-tax profit	**15,858**	**11,592**
Taxation	7,226	5,071
Minorities	3,031	2,067
Attributable	**5,889**	**4,205**
Retained subs.	3,260	2,617
Net balance	2,629	1,587

The dividend is lifted from 14p to 18p.

Metal Box South Africa, which is controlled by Metal Box Overseas, reports taxed profit up from R5.79m. to R7.15m. The final dividend 13 cents (11 cents) makes 20 cents (17 cents).

Turnover was R120.09m. (R91.453m.), and pre-tax profit R11,485,000 (R8,983,000). Earnings per share were 39.2 cents (33.1 cents).

Statement Page 23

See Lex

Hanger Invest. prospects

Although it is not possible to forecast the performance of Hanger Investments for the current year, the chairman, Mr. P. D. Adams reports that management accounts for the first quarter indicate that the group is now operating at a profit.

It is likely that registrations of new vehicles will be at an even lower level than 1974 with severe competition resulting in a narrowing of trading margins and a background of increasing sales of imported vehicles.

To minimise dependence on vehicle sales and in an endeavour to give a greater degree of stability, the Board has, over the last two years, concentrated on the development of service and parts operations within the group. Management is currently continuing to exploit every source of revenue in these areas.

The opportunities for leasing and contract hire activities are being fully explored although there is evidence that certain fleet owners are taking a cautious view of their fleet replacement programmes, the chairman adds.

As reported on May 17 a loss of £27,845 was incurred in 1974 (pre-tax profit £224,576), and there is no dividend (0.7p net).

Meeting, Birmingham, June 25, at 11 a.m.

Turriff earns and pays more

FROM A turnover £3.65m. ahead at £21.8m. in 1974, profits of Turriff Construction showed an increase from £416,330 to £477,741. In addition there is an extraordinary profit of £35,169.

The dividend is the maximum permitted, 3.4375p net, against 3.15p.

Total net profit, after all charges including tax, is £245,243, compared with £231,135. The group no longer has the benefit of tax losses brought forward and there is a full tax charge in 1974.

Inchcape BHD Provisions: rights issue

After extraordinary charges of $27m., including provision for the loan and unsecured guarantees to American Marine in full and against the fall in value of other investments, Inchape Berhad incurred a net loss of $6.6m. for 1974, against a profit of $31.2m. last time.

The final dividend is cut from 15 per cent. to 10 per cent., for a total of 15 per cent. (20 per cent.). The company is to make a one-for-five rights issue at $1.60 to raise about $44m. to "provide for further progress."

Before the extraordinary items net profit came out at $20.4m. ($33m.), the reduction being attributed to the effects of recession and inflation in the last few months of the year.

Willis Faber progress

Group profit of insurance brokers Willis Faber and Dumas (Holdings) increased from £7.36m. to £7.7m. in 1974, subject to tax of £4.12m. (£3.71m.), and before extraordinary debits of £80,000 (credits £1.03m.).

A final dividend of 101.8839 per cent. makes a maximum permitted total of 256.7445 per cent., the total costing £883,000 (£819,000).

The proportion of turnover attributable to the insurance subsidiary was 7.1 per cent. and its pre-tax profit was £238,277.

Group fixed assets increased from £3.49m. to £8.11m., and trade investments were up from £2.17m. to £9.77m. Bank balances and deposits decreased from £31.49m. to £22.61m., and net current assets were down from £10.53m. to £0.94m.

During the year a new subsidiary was formed, Willis Faber AG (Zurich), incorporated in Switzerland, and a new associated company was formed, SA Willis Faber Boels and Begault NV, incorporated in Belgium, in which the Company has a 50 per cent. interest.

Also during the year the company increased its holding in Morgan Grenfell Holdings from 14 to 22.468 per cent. of the equity, and made a number of other trade investments.

The directors report that work on the freehold development in Ipswich is almost complete. The total cost is estimated at £8.32m. of which £6.62m. had been expended by end-1974.

Meeting 54 Leadenhall Street, EC, June 11 at 10 a.m.

Growth for Foseco Minsep

REPORTING ON the first quarter of 1975, the directors of Foseco Minsep state that sales have advanced 27 per cent., from £25.1m. to £32m.

Profits before tax are up on last year and margins to date have been maintained.

In the year 1974, the group made a profit of £12.69m. from sales of £114.63m.

See Lex

Hawker Siddeley Canada optimistic

Hawker Siddeley Canada expects capital expenditure of $32m. in 1975, up from $24m. in 1974, chairman Sir Arnold Hall told the annual meeting in Toronto.

Commenting on the general outlook, Sir Arnold said there was very good reason for quiet optimism since the company was undoubtedly in a "very strong position with regard to demand."

The U.K.-based subsidiary, Dosco Overseas Engineering, was doubling its capacity because of heavy demand for mining equipment. An expansion to 450 mining machines a year from 200 was half finished and should be completed by the end of the year.

Lewston £1.6m. deficiency

Shareholders in Lewston International have voted in favour of the voluntary winding up of their company and the appointment of Mr. Kenneth Cork and Mr. Michael Jordon as liquidators.

At a special meeting in London, Mr. Jordon told shareholders there was an estimated deficiency to creditors of £624,392 and an overall deficiency, including the issued capital, of £1,624,300.

Hanson Trust improves: expanding asset base

FIRST HALF (to March 31, 1975) profits before tax of Hanson Trust have improved from £5.48m. to £5.67m. Earnings per 25p share are ahead 1p to 10p, and chairman Mr. James Hanson is confident that the growth will be maintained this year. For 1973-74, profits reached £10.44m.

He looks to the future with confidence strongly underpinned by the group's expanding asset base.

Although the industrial scene in Britain remains difficult, Mr. Hanson sees "significant growth" in profit levels of companies allied to the building industry when activity resumes.

"The balance sheet remains extremely strong and places us in an excellent position to seek further expansion. While not overlooking opportunities in Britain, we intend through Hanson Industries Inc. to maintain strong emphasis on growth in the US."

The success of the investment in the U.S. is reflected by the record results of the agriproducts division, which inculdes a full six month profit from the U.S. feedstuffs company, Seacoast Products, compared with that of a three month period in 1974. This contribution has been particularly valuable when industry in Britain is passing through such a difficult period.

U.K. agriproducts business has also performed well and is ahead of budget. The urgent national need to expand the agricultural industry should benefit operations, the chairman asserts.

Building materials and industrial services have suffered from the current lack of business confidence. This is most apparent from the results of brick manufacturing business; steps taken earlier to reduce production have been effective and stock at the end of March was at a similar level to that of October 1974.

Over the past two years the group has reduced its interests in property investment and development in the UK and in the half year has realised a further £1.77m. and the portfolio now stands at £4.12m.

Construction equipment had another good trading period. Heavy earth-moving distribution company offset the reduction in demand in the UK by increased overseas sales. Pump hire showed continued growth in Scotland and in other parts of the UK and the Australian company matched last year's record profit.

	Half year 1975 £000	1974 £000
Turnover	32,466	39,935
Agriproducts	10,352	6,915
Building materials	5,526	5,589
Construction equip.	9,651	7,091
Industrial services	4,393	3,028
Property	2,214	16,360
Businesses sold	—	442
Profit before tax	5,674	5,482
Agriproducts	3,406	1,397
Building materials	600	954
Construction equip.	804	735
Industrial services	398	432
Property	9	1,606
Businesses sold	—	42
Interest received	457	381
Taxation	2,251	2,491
Minorities	220	66
Attributable	3,173	2,938

At March 31, net tangible assets per Ordinary were shown at 112p, against 108p at September 28, 1974. Fixed assets were £26m. (£25.16m), current assets £49.83m. (£49.75m), liabilities £34.99m. (£32.42m.) and loan liability £5.49m. (£9.37m.).

See Lex

E. Chalmers cautious

Copper prices, which greatly influence the refining and trading activities of E. Chalmers Holdings, reached record levels of almost £1,400 per tonne in April, 1974, and then fell rapidly to less than £500. This together with the fall in demand for non-ferrous metal makes any forecast for the current year difficult, says chairman Mr. J. R. Conway.

Profit before tax for the year ended February 28, 1975, already reported, fell from £300,202 to £200,416. The dividend is raised from 0.9929p to 1.0767p net.

Meeting, Glasgow on June 26 at noon.

Jennings Bros. confident

Cockermouth brewers Jennings Bros. is in a "sound financial position" and should be able to maintain the profitability shown over the last few years, according to the chairman, Mr. J. C. Lee.

In his interim report Mr. Lee says "during the half year to March 31, 1975, the problem has been, in addition to cash flow, to maintain profit margins, and the company has been successful in these objectives.

Because it is able to retail a high quality product and to maintain the price at an acceptable level, Jennings has been able to show an advance in sales which have been at least equal to the increased costs it has been forced to absorb.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below is based mainly on last year's time-table.

TO-DAY

Interims: J. H. Fenner, Keystone Investment, Land Investors, McCorquodale, A. J. Mills, United Scientific, Yorkshire and Lancashire Investment Trust.

Finals: Bankers Investment Trust, Baraoora Tea, Bibby and Baron, Charter Consolidated, Culter Guard Bridge, De La Rue, Vernon Fashion.

FUTURE DATES

Interims:	
Caplan Profile	June 5
CompAir	June 19
Imperial Group	July 10
Finals:	
Carless Capel and Leonard	June 9
G.R.A. Property Trust	June 24
Plysu	June 5
Polymark	June 4
Scotcros	June 10

Lake View Trust

The substantial increase in pre-tax revenue of Lake View Investment Trust from £1.12m. to £1.32m. in the year to March 31, 1975, is due to high rates of interest prevailing during a period of high liquidity, to repayment of foreign currency loans and to dividend increases, says the chairman, Mr. C. W. Garnett.

At the year-end the liquidity ratio of the fund was approximately 13 per cent. mostly in short-dated Government securities.

As reported on April 24 the dividends effectively paid out of revenue total 1.5p (1.35p) net per share.

The portfolio is well spread and directed particularly towards overseas investment both directly and through U.K. companies with substantial overseas assets and earnings.

Meeting, Winchester House, EC, June 24 at 11.30 a.m.

Chairman's statement Page 26

Better 2nd half at Gough Bros.

COUNTER-inflation legislation restricted pre-tax profit of wine merchants Gough Brothers to £326,604 for the year to February 1, 1975, compared with £318,080 for the previous 12 months, after £104,087, against £118,701 at half-time.

At the interim stage the directors said that the full year's results should prove consistent with the first six months' figures.

Based on 1975's tax rate earnings per 20p share are shown to be down from 5.5p to 5.2p on 2.3m. shares weighted by the issue of 60,970 shares in July last year.

Dividend total is up from 2.72p to 2.76p net, with a final of 1.82p.

Sales increased by 22.5 per cent. to £8.53m. and chairman Mr. R. C. Gough describes the results as "satisfactory in all the difficult prevailing circumstances."

	1974-75 £	1973-74 £
Turnover	5,329,644	6,962,544
Pre-tax profit	326,604	318,080
Tax	193,900	175,626
Net profit	132,704	142,454
Dividends	70,633	65,650

Percy Bilton peak £4.25m.

ON A TURNOVER up from £21.28m. to £24.99m., group pre-tax profit of Percy Bilton expanded from £3.08m. to a record £4.25m. in 1974, after £2m., against £1.22m. for the first half.

Once more the profit expansion was achieved against the general trend of the property world, it is stated. And the chairman, Mr. Percy Bilton, reports that profits for the first four months of 1975 are "encouragingly ahead" of last year.

Earnings per 25p share for the past year increased from 6.4p to ...p. Dividends totalling 3.76875p (3.395p) net have already been paid.

Emphasising his confidence in the further future progress of the group, Mr. Bilton says over 83 per cent. of the existing portfolio is due for rent review before the end of 1979.

Based on rent reviews achievable at current rental levels, the existing rent roll will be increased over the period 1976 to 1979, by approximately £2.45m., excluding any further rises from present rent levels.

He also points to the continued high level of rents in industrial areas, particularly in the South East, where in the main the property investments lie.

At end 1974 the rent roll was running at £3.25m. per annum. When all current building works are completed (largely by the end of 1975) the gross rent roll will be running in excess of £3.78m. per annum.

With the addition of the current building works which are to be retained this will increase the square footage in the investment portfolio to 7.8m. sq. ft.

Despite the uncertain economic outlook and changes proposed under legislation affecting the development of property, he says the group was able to maintain good progress over the last 12 months in carrying out its part in the most necessary function of modernising British industry.

The level of industrial enquiries while not running at the magnitude of 18 months ago, is nonetheless, continuing to show strength and resilience.

Also the increasing profitability of the group, and the steps taken by the Chancellor to off-set inflation through tax deferment for stock appreciation has further strengthened liquidity.

Existing facilities are still available to finance the group's development programme, based on long term funding from institutions.

Whereas short-term loans to the group total only £14,000, not only does the company not have any overdrafts in the U.K., but has £5.32m. in cash and on short-term deposit.

Mr. B. Turner-Samuels, chief executive, points out that, as the company's annual surveys of rental growth have proven, investment in productive industrial property "has always and still is" a better investment than offices.

	1974 £000	1973 £000
Turnover	24,991	22,284
Investment income	2,895	2,528
Trading profit	2,906	1,967
Interest paid	1,558	1,429
Share of associates	63	14
Profit before tax	4,268	3,081
Taxation	361	970
Net profit	3,907	2,111
Minority holders	2	2
Tax equalisation, etc.	1,210	—
Attributable	2,695	2,109
Sinking fund, etc.	37	35
Dividends	746	721
Retained	1,910	1,353

Interest paid on properties in course of development of £55,000 (£92,000) was deducted capital reserve.

The tax charge was reduced by £1.2m. (nil) for stock appreciation relief for 1973 and 1974.

Glenhazel Investment Trust holds 36.75 per cent. of the equity.

Meeting, Bilton House, Ealing, W., June 27, noon.

● comment

Profits of Percy Bilton continued to grow in the second half-year and these days the company is paying very little tax — stock appreciation relief amounted to £1.2m. — thus helping the balance sheet which shows over £5m. of cash and a slight reduction in the long-term gearing ratio. The main factor affecting liquidity is the availability of progress payments on work in progress, and the situation here held up well through the year, with self-financed work in progress rising merely 6 per cent. to £7.2m. The only property provision made was £0.25m. against housing land. Prospects appear to be good for the current year, but at 133p — up 10p yesterday — the shares are already looking a long way ahead: the yield is 4.3 per cent. and the market capitalisation is £44.4m. against tangible book net worth of little over half as much.

Outlook for Globe Investment

THE directors of Globe Investment Trust will endeavour to conduct the company's business so that its successful record in the past may be repeated in the future, says chairman Mr. A. F. Roger in his annual statement.

The company's aim has been, and remains, "to provide stockholders over the long term with a steadily increasing income combined with security of capital." Figures show that, taking 1965 as a base of 100, the net amount of the dividend has since risen to 217, keeping abreast of the cost of living index which on the same basis has also reached 217.

The Electra House companies are the first investment trusts to institute inflation accounting. On a CPP basis gross revenue fell from £6.49m. to £6.01m.

The chairman reports that throughout the past year the company has held liquid resources above its historic levels. With the existing uncertainty and increasing volatility in international economies and the world's stock markets, and with the expected continuing flow of equity fund-raising, he thinks the wise course for the company will be to exercise a cautious and gradual approach to the re-investment of its existing liquidity margins.

As reported on May 14, gross revenue increased from £5.07m. to £5.57m. for the year to March 31, 1975. Dividends are up from 2.4p to 2.7p net.

On April 15 Cable Trust disposed of its entire holdings of 5¼ per cent. Convertible Unsecured Loan Stock, 1987-91.

Meeting, Electra House, Victoria Embankment on June 26 at 12.15 p.m.

Chairman's statement Page 22

Seccombe Marshall prospects

ONCE again bill brokers and bankers Seccombe Marshall and Campion has been able to strengthen undisclosed reserves and with a very short order book, the company is in a good position to meet the troubles that are undoubtedly ahead, Mr. H. D. Seccombe, chairman, says in his annual statement.

He describes the 12 months to April 30, 1975 as the most successful year in the history of the company, because of steadily falling rates, Minimum Lending Rate down from 12 per cent. to 9¾ per cent., Treasury Bill Rate from 11½ per cent. to 9¼ per cent. and Eligible Bank Bills from 13¾ per cent. to around 10 per cent.

The margin between the yield of securities held and the average rate paid for money was "unusually" large for the first eight months, but was gradually narrowing for the last four.

More than half of earnings came from the Commercial and Treasury Bill side of the business, but the Certificates of Deposit and Local Authority Bond sections "have also done well." Existing holdings of quoted investments consist entirely of very short dated Local Authority Bonds.

The chairman says that although rates have come down by 2-3 per cent. during the year, "conditions remain uncertain and we have therefore been keeping very short." The average length of the book on April 30, 1975, was 46 days.

As reported on May 21 net profit advanced from £156,344 to £435,037 and dividend total is up from an adjusted 12.8645p to 13.9706p net. A one-for-ten scrip is proposed.

Meeting, 7, Birchin Lane, E.C., on June 25 at 3.30 p.m.

Downward trend for Laird

MIXED fortunes have been experienced by the Laird Group this year, Sir Maurice Banks, the chairman, told the annual meeting yesterday.

So far the overall balance of trends "has been to produce lower profits compared with the same period of 1974 and the expectation is that this pattern will be maintained throughout the year," he said. But the company intended to declare the same rate of dividend on capital increased by the 1 for 10 scrip issue.

Orders for steel had fallen and there had been a decline in orders in the factories associated with the U.K. motor industry, but the interests in catering and airfreight were expanding and the order book for long distance conveyors was the highest for some years.

As to nationalisation, Sir Maurice said that for compensation in the case of Cammell Laird Shipbuilders, already 50 per cent. Government owned, to be "fair and reasonable" it should take into account the £7.2m. provided by Laird. It remained to be seen if nationalisation would improve prospects for Scottish Aviation.

The arguments in favour of nationalisation on the other hand "have not the slightest relevance to ship repairing," he said, and companies like Western Ship-repairs "cannot be successful unless they maintain a flexibility and speed of operation which is wholly incompatible with a unified and central control."

Turnbull Scott sees profit reduction

The directors of Turnbull Scott Shipping say that with a substantial amount of cash in hand the company is in a strong position to face a period of recession and the interest on this money will serve to supplement the much reduced trading profit which is anticipated for the year ending January 31, 1976.

The company has five ships on order, none of which is likely to be delivered before 1976 and the total cost is in the region of £7.5m.

On the year ended January 31, 1975, the directors state that all the company's ships made a good contribution towards trading profit with the exception of m.v. "Waygate."

As known net consolidated profit for the year after providing for depreciation and tax, and after taking credit for surplus arising from disposal of ships amounts to £3.21m. (£903,771). The dividend is raised from 7.75p to 8.414p net.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on June 2, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory: (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n/c) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S dollar parities and going sterling-dollar rate; (Bk.) bankers' rate; (Bas.) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not all in cases closing rates on the dates shown

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	385.9(sg)
Afghanistan	Afghani	136 (A)
Albania	Lek	(O)10.40(A) (T)25-25(A)
Algeria	Dinar	(A) 8.1625
Andorra	French Franc	9.35½
	Spanish peseta	129.50
Angola	Ang. Escudo	56.50
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm)25.18 (fn)54.88
Australia (S)	Australian $	1.7246
Austria	Schilling	38.55
Azores	Portug. Escudo	56.50
Bahamas (S)	Ba. Dollar	2.32495
Bangladesh (S)	Taka	29.95(sg)
Bahrain (S)	Dinar	0.917½
Balearic Is.	Spa. Peseta	129.50
Barbados (S)	Barbados $	4.80
Belgium	B. Franc	(cm)81.25 (fn)85.60
Belize	B$	4.0
Bermuda (S)	Bda. $	2.3185
Bhutan	Indian Rupee	18.754(sg)
Bolivia	Bolivian Peso	46.39
Botswana (S)	S. A. Rand	1.5748485
Brazil	Cruzeiro	18.41
Br. Solomon Is (S)	Australian $	1.7246
Br. Virgin Is (S)	U.S. $	2.3185
Brunei (S)	Brunei $	5.24
Bulgaria	Lev	(O) 2.30 (T) 2.84
Burma	Kyat	(A)14.54½
Burundi	Burundi Franc	184.055
Cambodia	Riel	n.a.
Cameroon Rp	C.F.A. Franc	467⅝
Canada	Canadian $	2.3755
Canary Is.	Spanish Peseta	129.50
Cape Verde Is	Cape V Escudo	56.50
Cayman Is. (S)	Cay. I. $	1.9331
Cent. Af. Rp.	C.F.A. Franc	467⅝
Chad	C.F.A. Franc	467⅝
Chile	C. Escudo	(Bk) 8.850 (T) 11.118
China	Renminbi Yuan	4.1081
Colombia	C. Peso	(F)68.45
Comoro Is	C.F.A. Franc	467⅝
Congo (B'ville)	C.F.A. Franc	467⅝
Costa Rica	Colon	19.8477
Cuba	Cuban Peso	1.92304
Cyprus (S)	Cyprus £	0.8200565
Czechoslovakia	Koruna	(cm)12.70 (n/c)12.40 (T)22.10
Dahomey	C.F.A. Franc	467⅝
Denmark	Danish Kroner	12.66
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.3185
Ecuador	Sucre	(O)57.70 (F)57.90
Egypt	Egyptian £	0.9530125 (T)1.46176
Ethiopia	Ethiopian $	(P)4.8069
Eq'l Guinea	Peseta	129.50
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	12.66
Fiji Is. (S)	Fiji $	1.8848
Finland	Markka	8.50
France	French Franc	9.35½
Fr. C'ty in Af ◆	C.F.A. Franc	467⅝
Fr. Guiana	Local Franc	9.35½
Fr. Pac. Is.	C.F.P. Franc	170.14
Gabon	C.F.A. Franc	467⅝
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	6 (A)

Place and Local Units		Value of £ Sterling
Germany West	Deutschemark	5.43¼
Ghana (S)	Cedi	2.66
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is (S)	Aust. Dollar	1.7246
Greece	Drachma	69.449
Greenland	Danish Kroner	12.66
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	9.35½
Guam	U.S. $	2.3185
Guatemala	Quetzal	2.3185
Guinea Rep	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.21
Haiti	Gourde	11.5875
Honduras Rep	Lempira	4.6330
Hong Kong (S)	H.K. $	11.4255
Hungary	Forint	(cm) 112.77 (n/c)(T)48.87
Iceland (S)	I. Krona	348.80
India (S)	Ind. Rupee	18.754(sg)
Indonesia	Rupiah	962.69
Iran	Rial	(A) 152.4
Iraq	Iraq Dinar	0.68
Irish Rep	Irish £	1.00
Israel	Israel £	15.8896
Italy	Lira	1,448½
Ivory Coast	C.F.A. Franc	467⅝
Jamaica (S)	Jamaica Dollar	2.1065
Japan	Yen	678
Jordan (S)	Jdn. Dinar	0.798(sg)
Kenya (S)	Ken. Shilling	16.56165
Korea (Nth)	Won	n.a.(g)
Korea (Sth)	Won	1,138.58
Kuwait (S)	Kuwait Dinar	0.659
Laos	Kip	n.a.
Lebanon	Lebanese £	5.09
Lesotho	S. African Rand	1.5748485
Liberia	Liberian $	2.3185
Libya	Libyan Dinar	(P)0.6667
Liecht'nstein	Swiss Franc	5.80½
Luxembourg	Lux Franc	81.25
Macao	Pataca	12.7625
Madeira	Portuguese escudo	56.50
Malagasy Rp	MG Franc	467⅝
Malawi (S)	Kwacha	1.9572
Malaysia (S)	Malaysian $	5.2475
Maldive Is (S)	Mal Rupee	n.a.
Mali Rp	Mali Franc	935.75
Malta (S)	Maltese £	0.8601565
Martinique	Local Franc	9.35½
Mauritania	Ouguiya	◆
Mauritius (S)	M Rupee	15.55
Mexico	Mexican Peso	28.95
Miquelon	C.F.A. Franc	467⅝
Monaco	French Franc	9.35½
Mongolia	Tugrik	(O) n.a.(g) (T) n.a.
Montserrat	E Caribbean	4.80
Morocco	Dirham	9.51(sg)
Mozambique	Moz. Escudo	56.50
Nauru Is.	Aust. Dollar	1.7246
Nepal	Nepalese Rupee	24.40
Netherlands	Guilder	5.57
Neth. Ant'les	Antillian Guilder	4.1519
New Hebrides	Franc	161.25
	Aust. Dollar	1.7246
N. Zealand (S)	N.Z. Dollar	1.7520
Nicaragua	Cordoba	16.27
Niger Rp	C.F.A. Franc	467⅝
Nigeria (S)	Naira	1.4556(sg)
Norway	Norg Krone	11.45¼
Oman Sultanate of (S)	Rial Omani	0.802
Pakistan (S)	Pkst. Rupee	22.80(sg)
Panama	Balboa	2.3185
Panama Canal Zone	U.S. $	2.3185
Papua N.G. (S)	Aust. Dollar	1.7246

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	287.88
P'ple's D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.75
Peru	Sol	ex.c(A)88.79 (A)100.75*
Philippines	Ph. Peso	16.3175
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.7520
Poland	Zloty	(Bas.)[illegible] (T)78.70
Portugal	Pgse Escudo	56.50
Port Timor	Timor Escudo	56.50
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	2.3185
Qatar (S)	Qatar Ryal	9.88
Reunion Ile de la	C.F.A. Franc	467⅝
Rhodesia	Pound ●●	n.a
Romania	Leu	(cm)11.44 (n/c)23.06
Rwanda	Rwanda Franc	214.98
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	467⅝
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.80
Samoa (Am)	U.S. $	2.3185
San Marino	Italian Lira	1,448½
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	7.87½
Senegal	C.F.A. Franc	467⅝
Seychelles	S. Rupee	15.65
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.24
Somali Rep	Som Shilling	(A)14.75(sg)
Sth. Africa (S)	Rand	1.5748485
S. W. Africa Territories (S)	S. A. Rand	1.5748485
Spain	Peseta	129.50
Span. Ports in North Africa	Peseta	129.50
Sri Lanka (S)	S. L. Rupee	15.5685(sg)◆◆
Sudan Rp	Sudan £	(A)0.87(sg)
Surinam	S. Guilder	4.1518
Swaziland (S)	Lilangeni	1.5748485
Sweden	S. Krona	9.11½
Switzerland	Swiss Franc	5.80½
Syria	Syria £	(A)8.67(sg)
Taiwan	New Taiwan $	(P)88.14
Tanzania (S)	Tan. Shilling	16.56
Thailand	Baht	47.0325
Togo Rp	C.F.A. Franc	467⅝
Tonga Is (S)	Pa'anga	1.6785
Trinidad (S)	Trin. & Tobago	4.80
Tunisia	Tunisian Dinar	0.950(sg)
Turkey	Turkish Lira	36.0000
Turks & Cs.	U.S. $	2.3185
Uganda (S)	Ug. Shilling	16.56695
Utd. States	U.S. Dollar	2.3315
Uruguay	Uruguay Peso	(cm)6.552 (fn)5.825
Utd A'b Emts	U.A.E. Dirham	9.18½
U.S.S.R.	Rouble	1.62
Upper Volta	C.F.A. Franc	467⅝
Vatican	Italian Lira	1,448½
Venezuela	Bolivar	9.92(s)
Vietnam Nth	Dong	(O)n.a.(g) (T)n.a.(g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.3185
Western Samoa (S)	Samoan Tala	1.3841
Yemen	Ryal	10.20(sg)
Yugoslavia	New Y. Dinar	38.5511
Zaire Rp	Zaire	1.5875
Zambia (S)	Kwacha	1.4987855

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the independent regime on February 17, 1970. Recent reports suggest a rate of about 1.24 Rh. dollars to £1

◆ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Fr.5 to one unit of the new currency.

(s) General rate: oil and iron exports 9.74.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnam dong at 0.308 roubles, and the North Korean won at 0.7483 roubles. With the pound standing at 1.62 roubles, the following relationships could be calculated for the pound: £1=7.20 tugriks: £1=5.26 dongs: £1=2.26 won.

♥♥ Information not available for this edition.

* Rate is the Transfer market (controlled).

INTERNATIONAL COMPANY NEWS + EURO MARKETS

GHH overseas orders show sharp decline

BY NICHOLAS COLCHESTER IN BONN AND GUY HAWTIN IN FRANKFURT JUNE 2

Gutehoffnungshuette, one of the most important industrial holding companies in West Germany, will repeat its 14 per cent. dividend in the year which ends on June 30, but its turnover has "stagnated" and the flow of orders from abroad, on which the subsidiary companies are notably dependent, has fallen sharply away in the last few months.

This was revealed in an interview given to to-day's Handelsblatt by the new GHH Chairman, Dr. Manfred Lennings. His company had a turnover in 1973-1974 of over DM10bn. spread across a variety of industrial sectors. So it is not surprising to find the figures from GHH echoing to-day's West German trade figures and showing a sudden relapse in export orders.

Dr. Lennings explained that the tendency of the oil rich countries to place orders had fallen away measurably. He still reckoned with some sort of economic recovery in the second half of this year but also suggested to Handelsblatt that West Germany might have to reckon with "negative growth rate" in the future.

The fall off in export orders is a recent phenomenon and GHH's total stock of orders is still standing at 17 per cent. above its level at this time last year. Dr. Lennings was not more precise in his interview but at the end of 1974 the company's total order book stood at DM10bn. of which no less than 67 per cent. was for delivery to overseas customers.

"The best horse in the stable" was MAN (Maschinenfabrik Augsburg-Nuernberg), according to Dr. Lennings. To-day the concern confidently predicted that it would be paying an unchanged 12 per cent. dividend for the current 1974/75 business year, which is due to end on June 30.

Herr Mans Moll, the MAN chief executive, said that the business situation did not look too bad at the moment and that the concern should be able to maintain its current performance.

Orders were still coming in at a healthy rate. Capital equipment business, up until and including April, was 18 per cent. up on the same period of the previous year.

In the heavy commercial vehicles sector, performance improved although exports, said Herr Moll, were still holding back. Because of this, the oil producing states were increasingly important customers. They accounted for 28 per cent. of exports since June, 1974.

Negotiations had taken place between MAN and Volkswagen over co-operation in the lorry-building sector. These had ended inconclusively and no co-operation between the two concerns has so far been agreed. However there is still a possibility, according to Herr Moll, that the two concerns may produce a small commercial vehicle, but this project was only in the consideration stage.

Schloemann-Siemag, the newly merged maker of rolling mills and industrial machinery in which GHH has a fifty-one per cent. holding, is suffering from a fall in orders. The management fears that if the current order situation persists it will have consequences for the company's employment.

Two sets of figures make the sharp change in Schloemann-Siemag's fortunes clear. In the last six months of 1974—the first half of the company's business year — total orders were DM 375m., or a round DM63m. a month, compared with DM160m. in the equivalent six months of the previous year. From the end of December to the end of April 1975 orders were running at DM32m. a month, giving a total for the period of DM128m., against DM375m. a year earlier. To run at capacity the company needs orders of DM50m. a month.

As a result the company's expected turnover for the year which closes at the end of this month is "well under DM400m." compared with DM402m. in 1973-74. The company's total stock of orders is now DM1.45bn.—80 per cent. of which were booked by overseas customers.

BFCE raises $100m.

White Weld and Sogen-Swiss International, as managers of the underwriting group, announce the public offering of $100m. Banque Francaise du Commerce Exterieur (BFCE) 9¾ per cent. guaranteed notes due May 15, 1980 at a price of 100 per cent., plus accrued interest. The notes are payable in U.S. dollars and are unconditionally guaranteed by the Republic of France. The notes are redeemable at the option of the Bank on and after November 15, 1979 or earlier in the event of certain changes in French taxation.

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European Investment Bank is to make a bond issue in Belgium, for B.Frs.1.5bn., underwritten by a syndicate of banks consisting of Société Générale de Banque, Banque de Bruxelles, Kredietbank, Banque de Paris et des Pays-Bas Belgique and Banque Lambert. With a nominal value of B.Frs.10,000, the bonds will carry a coupon of 8.75 per cent.; payable annually, and will be offered for public subscription at par, with a yield of 8.75 per cent., between June 9 and 13, 1975.

Redemption will be in 10 annual instalments by purchase on the market at prices not exceeding par; bonds not purchased will be redeemed at par at term on June 16, 1985.

Application will be made to list the bonds on the Brussels and Antwerp Stock Exchanges.

Conti Gummi on road to profit

BY GUY HAWTIN

FRANKFURT, June 2.

CONTINENTAL Gummi-Werke, West Germany's largest motor tyre producer, has reported it is back on the road to profitability. According to its chief executive Dr. Carl H. Hahn: "Conti is beginning to move at a trot."

Despite this, figures for the opening months of 1975 have remained in the red. Production has been under capacity and some 15 per sent. of the concern's 19,800 workers have been on short time.

Dr. Hahn, however, said he believed that 1975 results should equal those of 1974. Last year Conti more than halved its annual deficit from 1973's DM40.6m. to DM19.6m. Although, combined with losses brought forward from the previous year, the balance sheet loss totalled DM97.2m. in the first four months of the current year, the earnings situation had stabilised further, while in the first quarter of 1975 losses were reduced by 31 per cent. compared with the figures for the same period of 1975.

The negative trend in turnover had weakened in the first four months of 1975, said Dr. Hahn. The average fall in turnover over the first four months was 9 per cent. compared with the 13 per cent. average for the first quarter.

Turnover in the tyre sector averaged a 9.6 per cent. decline for the first three months compared with 7 per cent. for the January to end-April figure. In the technical products sector the improvement was from 16 per cent. as the first quarter's average to 11 per cent. in the first four months.

Dr. Hahn also reported improvements in productivity. These were particularly marked in the finishing sector where per capita output was up by 25 per cent. At the same time raw materials rose as a proportion of overall costs from 1973s 40 per cent. to a good 42 per cent., while personnel costs fell as a proportion from 47 per cent. to 41 per cent.

But, all in all, shareholders are likely to have to wait longer than they expected for their dividend. Dr. Hahn said that dividends should be paid out of profits and he was not prepared to predict when that would be. "We are not magicians," he said.

Ste. Generale success

BY DAVID CURRY

BRUSSELS, June 2.

THE SOCIETE Generale de Belgique's convertible issue for B.Frs.2.7bn. (£32.5m.) has been fully subscribed in one day. The issue, of 900,000 convertible debentures bearing a coupon of 8.25 per cent. and with a maturity of 12 years, has thus fulfilled the expectations of the company which decided to raise the amount to be issued from the original figure of around B.Frs.1.5bn.

It is not known yet whether the issue has attracted the overseas interest the company has been hoping for as part of its campaign to make its shareholding more international. Significantly, the issue consortium included Arab institutions as well as a strong representation from northern European banks. However, when he discussed the reasons behind the recourse to the market last week Governor Mare Nokin, the head of the company, was confident that the concern had got the terms and the time right.

The company, the largest holding group in Belgium, is likely to make regular calls on the market, according to Governor Nokin, as part of its policy of concentrating its activities around pivotal companies. It intends to beef up the financial muscle and their companies while continuing to expand in its chosen areas of which the major one is the financial services sector.

St.-Gobain markets hit

FINANCIAL TIMES REPORTER

SAINT-GOBAIN-Pont-à-Mousson net consolidated group sales in the first three months of 1975 reached Frs.5.08bn., compared with Frs.4.74bn. for the first three months of 1974. This is an increase of 7 per cent. in real terms, or 4.2 per cent. on the basis of equivalent structures (that is, assuming the consolidation plan for 1974 were the same as for 1973).

The pipework and engineering division continued to show a strong increase of 21.7 per cent. but the construction materials division, which accounts for one-third of sales, showed a decline of 3.4 per cent. By country, sales grew by 11 per cent. in France, but declined in all other European countries, especially Italy (down 26 per cent.).

Group production is in many cases running below capacity, and order books are affected by the downturn in major construction, automobiles and packaging markets. This difficult situation, the company says, is reflected in the results.

Swissair tightens its belt

By John Wicks

ZURICH, June 2.

A NUMBER of new savings measures have been announced by Swissair, the Zurich-based commercial airline, due to a failure to meet financial budget targets. By the end of April, results were Sw.Fr.30m. below estimates, even although these were reduced earlier this year from a budget drawn up last autumn. This is attributed to the combination of falling air-traffic volumes, the over-valued Swiss Franc and a continued rise in costs.

As a major item in the savings programme, the airline intends to reduce its total personnel from 14,100 at present to 13,500 in the coming months. This will be carried out by non-replacement of staff leaving the airline and a complete ban on the engagement of new employees. There will be no redundancies, however, and neither short-time working nor wage cuts are foreseen for this year. Swissair president Armin Baltensweiler states in an article in the airline's house journal that it is doubtful whether wage increases will be possible in 1976.

Owing to the general air traffic situation and the "increasing reluctance of many countries to grant Swissair additional landing rights," full use cannot be made of the airline's fleet and it is therefore planned to hire out one DC-9 and one DC-10 on a provisional basis. Next spring, a DC-8-62 plane is to be sold. The company will also be very cautious in the field of electronic data processing, where numerous projects are to be re-examined. Also up for investigation are training, travel, representation and real-estate costs. The taking of "voluntary, unpaid holidays" will be promoted by "attractive" means.

In early April, Swissair announced that a savings campaign had been launched to cut costs drastically without detriment to services, in order to cut an estimated Sw.Fr.70m. short fall on the budget by some Sw.Fr.55m. It was then stated that there would have to be an improvement in income by the remaining Sw.Fr.15m. to reach the planned 1975 net profit level of Sw.Fr. 40m.-45m.—considered necessary for the distribution of what was called a normal dividend.

Paribas takes Brazil stake

By Rupert Cornwell

PARIS, June 2.

PARIBAS, the leading French merchant banking group, has taken what it hopes will be a significant foothold in Brazil with a stake of 25 per cent. in the newly-formed Brasilpar company, alongside local and Saudi Arabian interests.

Brasilpar will have a capital of Cruzeiros 80m. (about £4.5m.), of which a quarter will go to the Brazilian subsidiary of Paribas, and a further 10 per cent. to the French insurance group, AGF. A majority of 55 per cent. will be in Brazilian hands, while the remaining 10 per cent. will be subscribed by Redec, a Saudi Arabian group.

The prime purpose of the new company will be to provide backing for foreign investment in Brazil in joint venture projects with local interests. Its main function will be to provide advice and financial expertise but Brasilpar is also ready to take minority interests in new schemes, be they industrial or financial.

★

Union Bank of Switzerland has officially inaugurated a branch in New York to deal mainly with foreign exchange, money market and commercial credit transactions. The bank retains its representative office in the city, as well as in Chicago and San Francisco. The Swiss bank has also opened a subsidiary in Panama called Union Bank of Switzerland (Panama).

★

Industrial Bank of Japan said it will establish a merchant bank in London, IBJ International.

From Copenhagen, Hilary Barnes describes Mr. Jan Bonde Nielsen's 'daring' approach to the Burmeister & Wain shipbuilding and marine engine problems

The new man at Burmeister

MR. JAN BONDE NIELSEN is sometimes referred to in Denmark as the Danish answer to Mr. Anthony Wedgwood Benn. The 37-year-old businessman last year bought a majority shareholding in the ailing Burmeister and Wain Shipyard, one of the biggest employers in Copenhagen with a labour force of about 3,000. Prompt and drastic action on his part to cut out loss-making operations and streamline the yard probably prevented it from having to close, though not from making a loss of Kr.142m. (about £10m.) in 1974.

Reorganisation

Burmeister and Wain has been wracked by a series of crises since the early 1960s. They culminated in 1971 when there was a major reorganisation. The shop stewards demanded then, and are demanding still, nationalisation as the answer to the problem. But neither the right-centre coalition Government of the day nor the Social Democratic opposition gave them any encouragement, even when the management threatened to close the yard within four days if money for the week's wages was not forthcoming. A Kr.50m. Central Bank guarantee was the extent of the Government's assistance.

The reorganisation in 1971, though it undoubtedly helped to improve the yard's efficiency, did not solve the problems, partly because of heavy losses, amounting to about Kr.150m., on dollar contracts, partly because the yard continued to accept orders which it was not equipped to deal with efficiently, including the hulls for two new Cunard cruise liners. Mr. Bonde Nielsen came on to the scene when two Copenhagen stockbroking firms went into liquidation in late 1973, holding Kr.32m. worth of B. and W. shares, a majority of just over 50 per cent. For several months the shares remained unsaleable, but in April 1974, Mr. Bonde Nielsen appeared out of the blue and paid Kr.27m. cash for the shares.

Last August he further astonished the Danish business community when he used D.Kr.70m. of the shipyard's resources to buy a majority in Burmeister and Wain Motor og Makinfabrik, one of the world's leading producers of large marine diesel engines. The engine factory was formerly part of the same company as the shipyard, but was established as a completely independent entity as one of the Government's conditions for providing the yard with a bank guarantee in 1971. This guarantee lapsed last year. The shipyard is notoriously one of the most difficult companies in Denmark to manage, and the motor factory has not made any significant profits since 1968. Mr. Bonde Nielsen, therefore, is widely regarded as an exceedingly daring young man.

He made his reputation with DCK International, a Kenya company producing flowers for the European market. The company started from nothing in 1963 and to-day has a turnover of over D.Kr.100m. a year and a labour force of 600. His other activities have been mainly financial. But he did not allow his lack of managerial experience in a major industrial company, let alone in shipbuilding, cramp his style last year.

He closed the repair yard, cancelled orders for two oil tankers, costing him compensation of D.Kr.103m. and decided that in future the yard would concentrate exclusively on the serial production of bulk carriers of about 60,000 dwt. The decisions were taken after a comprehensive analysis of the yard's future. The yard would almost certainly have had to close last year but for these reforms. The yard lost D.Kr.32m. in 1973 and D.Kr.142m. last year, almost double the loss originally expected. Considering that 1974 sales came to D.Kr.518m. and share capital is only D.Kr.70m., the loss last year was extremely heavy. On the other hand, the yard ended the year with D.Kr.166m. cash in the bank, almost twice as much as at the end of 1973.

This year it will deliver the last two loss-making dollar orders as well as the two Cunard cruise liners (after several delays). It is not out of the wood yet. Its reserves are now slender, and creditors and sub-contractors are unlikely to look kindly on any further large losses. Mr. Bonde Nielsen expects the yard to break even in 1975, but in 1976 he is looking forward to a profit of about D.Kr.40m.-50m. ($8m.). There are 14 bulk carriers on order all taken at satisfactory prices, and there is little doubt about the yard's efficiency as a production unit. In the past four years it has cut the time taken in dock for a bulk carrier from 80 to 31 days.

Productivity

Labour relations could be Mr. Bond Nielsen's Achilles heel. He began well by going out of his way to praise the productivity of the labour force, but this spring there was some go-slow working and a lot of shouting, culminating when the shop stewards recommended the workers to withdraw their two representatives from the company board.

The workers are protesting against the management's stubborn refusal to discuss any new wage increases this year.

Mr. Bonde Nielsen did not make sweeping changes in the yard's management, though he brought in several experts and put them in key positions, including Mr. Jesper E. Rasmussen, who was Mr. Ivar Hoppe's right-hand man at Harland and Wolff. The story is different at the engine factory, where all but one of the top management team to-day come from outside. Mr. Bonde Nielsen has also created a group "general staff," all of whom are outsiders.

The engine factory was taken over because Mr. Bonde Nielsen wanted to guarantee the yard's supply of engines, and there is only one possible supplier. At the same time the factory was patently inefficient. The centrepiece of the company, accounting for about a quarter of total turnover, the factory producing the giant, slow-running two-stroke diesels, was operating at a substantial loss. The marketing and sales apparatus was extremely weak. "We found that they were more interested in making the world's best engines than in making money," Mr. Bonde Nielsen says.

After undertaking an extensive analysis of the company (3,000 pages of it in all), it was decided to break up the company into eight divisions, each organised as a separate company and responsible for its own economic result. They are held together by the group's general staff under Mr. Bonde Nielsen's direct leadership. The engine factory's product range has also been rationalised.

According to present projections, the engine group should break even in 1975 after having made a loss of D.Kr.6.9m. in 1974 on sales of D.Kr.769m. A substantial surplus is expected in 1976 when the results of the current reorganisation have had time to show themselves.

Bowmar quits calculator market

BY CHRISTOPHER LORENZ

RAGING COMPETITION on the world market for electronic calculators yesterday took its most notable toll to date, when Bowmar Instrument, the U.S. pioneer of pocket calculators, announced that it is quitting the business.

The decision, which was taken following failure to find extra finance or a buyer for its calculator — and digital watch — plants, removes the second largest U.S. manufacturer from the calculator industry. But other market leaders in the U.S. and Japan are expanding their capacity, so Bowmar's departure will have little effect on world output.

Bowmar's announcement that it is ceasing production of calculators and digital watches was made simultaneously in New York and London yesterday. Mr. William M. Crilly, who became president of the corporation in February after it had filed under Chapter XI of the Federal Bankruptcy Act, said that Bowmar "will again be essentially an industrial products company" after elimination of the unprofitable operations.

In Bowmar's last full financial year, to last September over 30 per cent. of its total sales of about $78.3m. came from products other than calculators and watches. These were mainly electronic display devices (including for calculators), communications test equipment and electro-mechanical aerospace components. The latter are used in most U.S. and European civil and military aircraft, for example. Calculators and watches were responsible for the overall loss of $25.6m.

Bowmar's problems are understood to have been a combination of several factors. Preeminent was that by late 1974 it could no longer compete with the low costs of competitors like Texas Instruments and National Semiconductor who have their own microcircuit production. Its investment in an expensive Arizona circuit plant was made just as market prices began to tumble (the plant was sold last month to General Instruments).

The main factor apart from lack of a circuits facility, rapidly falling prices and world over-capacity, was in Mr. Self's words, that "Bowmar was a high-technology company which got into a consumer business which it didn't really understand" — in other words that it lacked the necessary consumer marketing expertise.

The same problems face the host of electronics companies still in the cut-throat calculator business, and those which have considered entry. Bowmar had hoped to sell its Mexican assembly plant to Fairchild, but the semi-conductor major decided not to enter the market after all, and its long-awaited entry last month to the consumer products field was limited to digital watches.

Fairchild's decision to stay out and Bowmar's decision to get out have hastened the much-forecast concentration of the industry into tha hands of several major U.S. and Japanese groups, with a few outsiders such as Britain's Sinclair Radionics continuing to confound the pessimists. Sinclair is one of Bowmar's main customers for calculator displays from its Canadian plant, which will continue to operate and is said to be one of Bowmar's best assets.

IBM forms new systems division

By Christopher Lorenz

THE GROWING importance of telecommunications to the computer industry was underlined yesterday by IBM's announcement of the establishment of a new Systems Communications Division (SCD).

Replacing the old System Development Division, the new grouping will be responsible for designing, developing and manufacturing computer-based communications systems and terminal products. Systems development not related to communications has been assigned to the General Products Division, the System Products Division and the Data Processing Product Group staff.

New chairman for Olivetti

By Tony Robinson

ROME, June 2.

OLIVETTI has chosen Sig. Silvio Borri, ex-chairman of the Istituto Mobiliare Italiano, as chairman in place of Sig. Bruno Visentini who resigned the post temporarily when he became Finance Minister last November.

The new chairman reports that Italian parent company Olivetti e Cie will pay an unchanged L60 1974 dividend on Ordinary and L70 on Privilege shares on marginally higher net profits of L4.23bn. (L4.13bn. in 1973) after depreciation of L15.5bn. (L14.2bn.). Profitability did not keep pace with turnover which rose 26 per cent. to L343bn. while worldwide turnover of the Olivetti group rose 25 per cent. to L796bn.

Output from the group's factories rose 15 per cent. last year, 67 per cent. in Italy and 33 per cent. abroad, while 75 per cent. of group sales were outside Italy.

Company Results

Royal Bank of Canada gains

● Royal Bank of Canada is paying a dividend of 59 cents (54 cents) on revenue for the six months to April 30 of $C1.086bn. ($58m.). Pre-tax revenue rose to $C139.75m. (106.28m.). Earnings per share rose to $C2.15 (1.68).

The chairman warns of caution against taking results for the first two quarters as the basis for estimating the balance of revenue for the full year.

● Steyr-Daimler-Puch has proposed a reduced 1974 dividend of 6 per cent. (8 per cent.). Net profit fell to Sch.49.5m. (68.2m.) but total sales were up 18 per cent. at Sch.7.31bn. including domestic sales of Sch.3.67bn. (up 12 per cent.) and export sales of Sch.3.63bn. (up 25 per cent.).

● Alsthom, a subsidiary of CGE reported a net loss of Frs.1.28m. for 1974, compared to a loss of Frs.8.89m. in 1973.

The company blamed heavy pressure by its French customers on prices, while conceding that both French and foreign orders had risen considerably. It said that added to the recession of recent months, this pressure is adversely affecting profit margins, and so its international competitiveness.

● Ente Nazionale Indrocarburi (ENI) reported gross 1974 turnover of L5,832bn. (L3,057bn.).

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	98⅞	99⅞
Ashland 8pc 1987	92	93
Austraswiss 8pc 1987	89½	91½
BFCE 9pc 1980	98½	99½
Borregaard 9½pc 1990	95⅞	96½
Carrier 8pc 1987	90	91
Conoco 8pc 1986	96	97
Consol Foods 7½pc 1991	85½	86½
Cutler Hammer 8pc 1987	91⅞	92⅞
EIB 9¾pc 1985	101	102
Esso 8pc 1986 Nov.	97½	98½
General Cable 8½pc 1987	88½	89½
General Motors 8½pc 1986	101½	102½
GTE 8½pc 1986	97½	98½
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	76	78
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7½pc 1988	90½	91½
Quebec Hydro 8½pc 1989	98½	99½
Queensland 8½pc 1987	88½	89½
Scanraff 8½pc 1988	94⅞	95⅞
Shell 8pc 1986	95½	96½
Standard Oil (Inc.) 8½pc '88	99½	100½
Tenneco 7½pc 1987	84⅞	85⅞
Transocean 8pc 1986	97	98
TRW 8½pc 1988	94⅞	95⅞
Utah 8pc 1987	92	93
Volvo 9½pc 1985	96⅞	99⅞
NOTES		
Air France 9½pc 1982	102	103
Australia Ind Dev 10½pc '81	103⅞	104⅞
Barclays 7½pc 1978	97	99
Cie Natl. du Rhne. 10pc '82	103⅞	104⅞
Du Pont 7½pc 1978	100½	101½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	101⅞	102⅞
Nippon Fudosan 10½pc 1981	103⅞	104⅞
Scand. Enskilda 10½pc '81	104	105
Tenneco 7½pc 1979	97½	98½
Tokyo Curacao 10½pc 1981	104	105
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4½pc '87	80	82
Ashland 5pc 1988	79	81
Beatrice Foods 4½pc 1992	88	90
Beatrice Foods 4½pc 1992	99	101
Borden 5pc 1992	89	91
Broadway Hale 4½pc 1987	74	76
Canon Camera 7½pc 1989	93	95
Carnation 4pc 1987	89½	91½
Chevron 5pc 1988	98	100
Dart 4½pc 1987	88	90
Eastman Kodak 4½pc 1988	117	119
Economic Labs. 4½pc 1987	80	82
Eidai 7½pc 1989	100½	102½
Ford 6pc 1986	80	82
Ford 5pc 1988	76	78
Fuji 6½pc 1983	107	
General Electric 4½pc 1987	82	84
Gillette 4½pc 1987	82	84
Gould 5pc 1987	77	79
Halliburton 4½pc 1987	127	129
Harris 5pc 1992	66	68
Hitachi 6½pc 1984	108	
Honeywell 6pc 1988	77	79
ITT 4½pc 1987	68	70
Komatsu 6½pc 1984	160	
J. Ray McDermott 4¾pc '87	129	131
Mitsui 8½pc 1989	150	
J. P. Morgan 4½pc 1987	122	124
Motorola 4½pc 1983	120	

	Bid	Offer
Owens Illinois 4½pc 1987	85	87
J. C. Penney 4½pc 1987	83	85
Pioneer 6½pc 1989	106	108
Rand Selection 6½pc 1986	103	107
Rank 4½pc 1993	43	45
Revlon 4½pc 1987	100	102
Sperry Rand 4½pc 1987	97	99
Squibb 4½pc 1987	86	88
Toshiba 6½pc 1985	128	
Union Carbide 4½pc 1982	107	109
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	84	86
Xerox 5pc 1988	77	79
Source: Kidder, Peabody Securities.		

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CHASE REPORTS:

To supply the world with enough oil by 1985, the petroleum industry needs to spend over $220,000,000 a day.

Can the world afford to make this investment? Or, more importantly, can it afford not to make this investment?

What follows is a summary of a report just released by the Chase Energy Economics Group.

This Group was set up 40 years ago, to study the capital and exploration costs of developing petroleum reserves.

Its four decades of experience, including Chase's active financing of these capital investments worldwide, has given Chase a unique knowledge of the petroleum industry's financial needs.

Chase's experience, which is both multicountry and multicompany over a lengthy time-span, has also been sufficent to prove a consistent relationship between the financial input and the amount of petroleum found and developed.

Using this information, our Energy Economics Group has forecasted the costs of finding and developing enough petroleum to satisfy the world's projected requirements.

In 15 years, the world's population will grow by one third.

In the 15-year period 1970-1985, the world's population will have grown from 3.7 to 5.0 billion people.

This fact alone, without allowing for rising consumption expectations in the existing population, makes growth in the energy supply essential.

Oil as supplier of half the world's energy needs.

There are five sources of primary energy. They are oil, natural gas, coal, water and nuclear.

Oil currently supplies half the world's energy needs, reflecting the superior versatility of its liquid form.

During the 1955-1970 period, when demand grew at a 7.5% annual rate, the world consumed a total of 153 billion barrels of oil.

Chase believe that the growth in the use of oil will now fall by almost half, i.e. from an annual growth rate of 7.5% to about 4% for the period remaining to 1985.

Even if oil consumption fails to grow at all after 1973 (an assumption our projection rejects), consumption in the 1970-1985 period will still result in the use of twice as much oil as in the preceding 15 years.

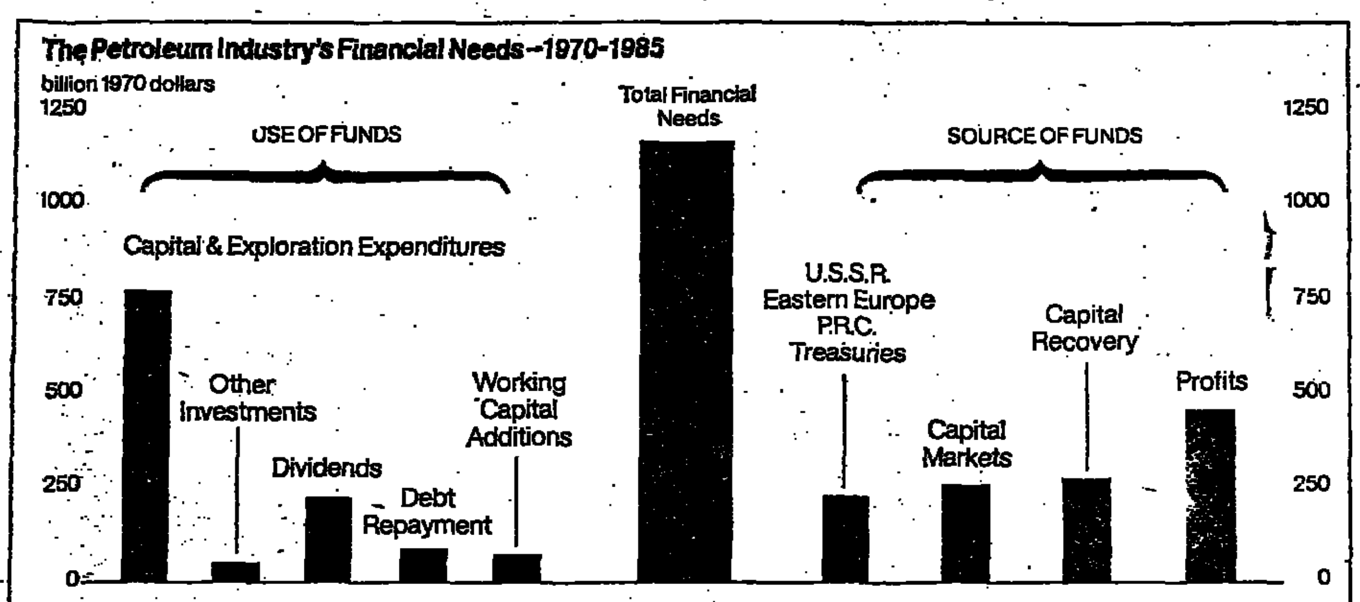


Figure 1.

67% of the oil reserves are in countries which consume 4% of the production.

Reported additions to proven reserves (oil that has actually been found and developed) have not kept adequate pace with demand growth. Nor are the reserves well located relative to market needs.

As much as 67% of the known reserves are concentrated in the Middle East and Africa; a region that presently constitutes only 4% of the worldwide consumption.

And fully two thirds of all proven reserves in existence in 1970 will be required to satisfy the world's indicated needs during the period 1970-1985 alone.

Obviously the situation demands maximum acceleration of the search of more oil, in a more evenly spread distribution worldwide.

Our minimum forecast is that if the petroleum industry is to satisfy present demand needs and also maintain adequate petroleum reserves, it must find and develop a total of 600 billion barrels of new oil between 1970 and 1985.

And this effort must go on until the economic costs of continuing the search exceed the costs of providing alternate sources of energy.

$1.2 trillion needed by 1985.

To find 600 billion barrels of oil between 1970 and 1985, our studies indicate the petroleum industry will need to invest at least 400 billion dollars for capital and exploratory purposes.

In addition, investment of another 370 billion dollars will be required for refineries and other processing facilities, tankers, pipelines, the vast market distribution system, and the costly equipment needed to achieve and maintain environmental standards.

The industry will also require more than 400 billion dollars to pay shareholders for the use of funds, to repay debt, and, as the magnitude of its operations increases, to make the necessary additions to working capital.

The relative size of the industry's various financial needs is shown in Figure 1.

Totalling 1.2 trillion dollars, they are more than treble the 375 billion dollars actually spent in the preceding fifteen years.

Where will the money come from?

40% must come from profits.

How the petroleum industry will satisfy its needs for such an enormous sum of money is by no means simple. As indicated in Figure 1, part may be obtained from external sources, but the major portion must be generated internally.

The required financial needs for petroleum operations within the Soviet Union, Eastern Europe, and The People's Republic of China, amounting to approximately 225 billion dollars are likely to be supplied by their own treasuries.

In the Western world, the industry will seek to borrow as much as possible in the capital markets. But the relatively high degree of risk associated with the industry's activities will limit the amount that can be borrowed to a likely maximum of about 240 billion dollars.

Provisions for capital recovery, such as depreciation, depletion, and other write-offs constitute another source of funds. If these are not changed by governmental actions, they are expected to provide 260 billion dollars.

The remaining 460 billion dollars (nearly 40 per cent of the industry's total financial needs) must be obtained from profits.

$60 billion earned. $785 billion still needed.

The various financial needs discussed above were measured in 1970 dollars, but it is not realistic to think in such terms.

As we have encountered no informed belief that world-wide inflation can be contained as low as 5 per cent, we think it prudent to measure the industry's financial needs in terms of at least a 10 per cent rate of inflation.

In this case, the industry's financial needs would be nearly doubled: the requirements for capital and exploration purposes would rise to more than 1.4 trillion dollars. Other essential needs will be increased to 760 billion dollars for a total requirement of 2.2 trillion dollars.

With a 10 per cent rate of inflation, the *industry requires at least 845 billion dollars* of profits between 1970 and 1985. In the first four years (or 27%) of that period the industry generated only 7 per cent, approximately 60 billion dollars, of the required amount. Figure 2 illustrates the huge additional amount that must be accumulated over the remaining eleven years.

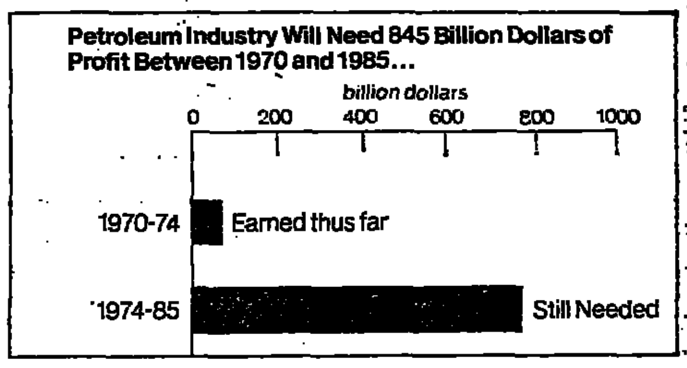


Figure 2.

There cannot be enough energy of any kind without adequate investment. And investment cannot be adequate without sufficient profits.

The potential for finding enough petroleum in the future is promising. But the realization of that potential requires much greater understanding of the problems than exists at present. And most of all requires more co-operation between everybody involved.

There are no financial shortcuts. All the costs must be paid.

Capital formation must be government's business, businesses' business, labour's business, banking's business—everybody's business.
Your business.

This has been a summary of a report prepared by the Chase Energy Economics Group.

If you feel Chase's knowledge of the petroleum industry could have a useful bearing on your business, we'd welcome your contacting any of our specialist petroleum groups.

James A. Adamson, Manager,
European Petroleum Co-ordination,
The Chase Manhattan Bank N.A.,
1 Mount Street, London, W1Y 6JJ.

William W. Higgins, New York.

Andrew J. Berry, III, Singapore.

Antoine P. Courbage, Beirut.

Chase: The relationship bank.

CHASE

LAKE VIEW INVESTMENT TRUST, LIMITED

Managers—JOHN GOVETT & CO. LTD.

Five year summary of results

Year ended 31st March		Per Share Earnings	Per Share Dividend	Per Share Asset Value including 100% Dollar Premium
1971	....	1.911p	1.8125p	78½p
1972	....	1.962p	1.8125p	105½p
1973	....	1.922p	1.8875p	96p
1974	....	1.692p	1.35p	69¾p
1975	....	1.769p	1.50p	75p

The figures of earnings and dividend for 1974 and 1975 are not comparable with previous years owing to the change in the system of taxation.

Total Net Resources £39,308,669

U.K. 58.9% North America 32.2%

Points from Mr. C. W. Garnett's review

—The last year has been particularly difficult as shareholders will appreciate. However I can report a small increase in the net asset value per share. Allowing for full conversion of the outstanding Unsecured Loan Stock there is an appreciation of 7.5% from 69¾p to 75p.

—Revenue before tax again shows a substantial increase from £1.121m. to £1.318m. and earnings per share have risen from 1.692p to 1.769p. This is due in part to high rates of interest prevailing during a period of high liquidity for the Trust, in part to repayment of foreign currency loans and in part to dividend increases.

—The rate of inflation in the U.K. relative to that of our competitors is alarming, and our trading position is being eroded daily. Measures to correct this situation are overdue and must be designed to command broad public support based on the realities of our predicament.

MINING NEWS

Socal paying $333m. for 20 per cent. of Amax

BY KENNETH MARSTON

AMERICA's Standard Oil of California is to take a 19.8 per cent. stake in Amax via a $333m. (£143.7m.) deal involving the purchase of 5.9m. Amax shares at $56.50 (£24.40). Socal has paid a cash total of $169.5m. to Amax for 3m. of the shares and a further 2.9m. have been issued in exchange for an equal number of Preferred shares with a par value of $56.50 in a Socal wholly-owned subsidiary.

From the beginning of 1978 Amax will be able to sell the Preferred shares to Socal at $56.50 plus accrued dividends. Until sold by Amax, the shares will pay a dividend of $3.60 and after 1977 any of them remaining may be redeemed at par. Socal also intends to purchase 0.7m. additional shares of Amax in the open market, or through block trades, over a period of about 18 months.

While Amax has an enviable potential in the natural resources field, notably in its coal developments, finances are being strained by the heavy capital expenditure programme. The influx of $333m. plus the income from major new projects which are due to come on stream in the next several years will provide funds for the group's U.S. expansion. Thus Amax has now withdrawn its planned public offering of 2m. shares.

In San Francisco, Socal cited the current decline in oil industry profits as the major reason for the big purchase of Amax shares, adding that "in view of the current economic conditions *facing our industry and the uncer*tainties of future Governmental action, we feel it is prudent that the company devote some part of its future activity to other natural resources."

Amax shares were £1¼ up at £37¾ cum-premium in London yesterday as dealers awaited the reaction to the latest news in New York; the U.S. price is quoted on our Wall Street page. London's Selection Trust, which holds 11.6 per cent. of Amax, rose 5p to 645p.

TCL-WITBANK MERGER OFF

The proposal whereby South Africa's Transvaal Consolidated Land was to acquire the remaining 30 per cent. of Witbank Colliery which it does not already own has been dropped by both companies.

The reason for this is that following the coal price increase of R1.15 per tonne (previously, pithead prices were about R3 per tonne) which was granted on May 23 to producers in the Transvaal and Orange Free State, Witbank should now be able itself to raise the funds needed for expansion.

Ways and means of doing this are now to be considered and, it is stated, shareholders will be asked to contribute a portion of the funds via an increase in the company's capital in some form. Outstanding dividends due to Witbank holders will now be paid in September 1975 and in March and September 1976. Listings of Witbank and TCL shares are to be reinstated to-day in Johannesburg and London.

MINING BRIEFS

BISICHI JANTAR—April: Tin 59.33 tonnes, Columbite 43.48 tonnes. Four months to date: Tin 225.78, Columbite 153.20 (same period 1974-75: 262.02 and 191.51 tonnes respectively).

ROUND-UP

The agreement to purchase a total of 0.85m. shares in America's Inspiration Consolidated Copper at $37 per share has been approved by the directors of the Anglo American Corporation group's Hudson Bay Mining and Smelting and Minerals and Resources Corporation.

Completion of the sale will give Hudbay some 13.6 per cent. of Inspiration with "Minorco" having a further 10.4 per cent. The aggregate holding in Inspiration will be raised to about 29.8 per cent. when allowance is made for recent further purchases of the shares at about $32 by the two Anglo companies on the New York Stock Exchange.

An undisclosed number of workers has been laid-off at the Mount Newman iron ore operation in Western Australia, in which Selection Trust has an interest, following a continued strike of 200 metal and electrical workers. They are claiming increased disability payments. An application for a compulsory conference on the dispute is to be lodged with the Industrial Commission to-day.

Impala omits

THE CHILL winds blowing through the market for platinum have resulted in the Union Corporation group's South African Impala Platinum passing its third quarterly dividend for the current year to June 30. The previous quarterly payment was also omitted, leaving only 30 cents paid for the current year so far compared with 50 cents at this time a year ago and the 1973-74 total of 75 cents.

It is also announced that the finding of the joint inquiry into last year's disaster, when the mine suffered an inrush of slimes following the bursting of a surface tailings dam, was that there was no evidence of negligence on the part of the company or its directors and employees.

The cost of repairs, restoration and loss of production to date is approximately R6m., of which R1.25m. has been so far recovered under insurance policies. A major holder of Impala with 21.56 per cent. is Bishopsgate Platinum, the shares of which were 90p cum-premium yesterday. Those of U.C. Investments, which has a further 11.69 per cent., were 450p cum-premium.

SIMMER'S GOLD ORE PROSPECTS

The veteran gold mining properties of South Africa's Simmer and Jack could still have a reasonable life potential, according to ore estimates given by Mr. Abe Cohen, who heads the syndicate which now controls the company.

In his chairman's statement, which was written before yesterday's fall in the gold price, Mr. Cohen said that at least 8m. tonnes of payable ore remain in the Simmer and Jack property and 10.5m. tonnes are in the neighbouring Simmer extensions, reports our Johannesburg correspondent.

This assumption has been made on the basis of gold prices at around $170 per ounce—the price fell to $162.50 yesterday—while an increase in the metal price and the lack of major water problems could result in a good deal more ore becoming classified as payable.

These comments do not refer to the deep level section to the south of the Simmer lease area which is being prospected by Union Corporation. Inconsistent results have been obtained from six boreholes and a further five are to be put down. After this a decision will be taken on the continuation of the programme.

SAUDI ARABIAN AGENT FOR G.A.

General Accident Assurance has appointed a Suadi Arabian agent, International Establishment for Trade and Contract Services, whose head office is in Dammam. IETCS is already one of the largest insurance agencies in the country with branch offices in Riyadh and Jeddah.

BIDS AND DEALS

Plessey completes Astrodata purchase

BY DAVID BELL

PLESSEY has completed its takeover of 67 per cent. of the equity of the eastern and western telex switching systems divisions of Astrodata of California.

The new company, to which Plessey has contributed $2.7m. of working capital, will be managed by Plessey Telecommunications, a subsidiary of Plessey. Astrodata has received $500,000 in cash in the deal and the new subsidiary has assumed existing liabilities.

As a result of this deal Plessey has acquired a majority interest in one of the leading producers of solid state high speed electronic telex switching systems. The remaining third of the new company will continue to be held by Astrodata for the time being.

The telex switching division of Astrodata, with branches in New York and Anaheim, California, has a turnover at the moment of between $2m. and $3m., but Plessey is currently negotiating major new orders in a number of countries.

Several other companies are at the moment developing variations of this new telex switching system, but the Astrodata version has the merit of already being in service both in New York and Rome. The other companies include Fredericks, a subsidiary of Plantronics, and RCA of the U.S. and Siemens of Germany.

SHARE STAKES

Mr. J. C. Woods holds beneficially 158,160 Ordinary shares in Burnett and Hallamshire Holdings, representing 10.2 per cent.

Dana Corporation now own 12,345,000 (29.1 per cent.) shares

INGERSOLL-RAND RATIONALISATION

All necessary approvals have now been obtained for the acquisition by Ingersoll-Rand with effect from June 30, 1974 of the business and net assets of Ingersoll-Rand Manufacturing. The acquisition represents a rationalisation of the U.K. activities of Ingersoll-Rand.

A loss not exceeding £22,000 is anticipated for the 6 months to December 31, 1974 in respect of the business to be acquired. The trustees of the £5m. 8 per cent. Unsecured Loan stock 1988-93 have been informed of this acquisition and are satisfied that it does not conflict with the provisions of the trust deed.

Consideration for the acquisition, other than assumption of liabilities, will be the issue of 150,000 Ordinary £1 shares at a premium of £1.40 each. This equals £360,000 which is the amount by which the market value of the assets of Manufacturing on the acquisition date exceeded the liabilities.

Conditions for restoring Haw Paw quote in Singapore

The Singapore Stock Exchange said yesterday that it would not consider lifting its suspension of trading in the shares of Haw Par Brothers International until it had more information on the proposed transaction with Pernas Securities.

Under the deal, Pernas, which is controlled by the Malaysian Government, would obtain a near-40 per cent. stake in Haw Par in exchange for a portfolio of shares, including a large holding in London Tin Corporation.

The Singapore Exchange told Haw Par it wanted to know the ruling of the Singapore Securities Industry Council and the Registrar of Companies on whether the deal complied with the Singapore take-over and merger code and Companies Act.

It also needed to know the London Take-over Panel's decision on whether Haw Par would be required to make a general bid for London Tin, in which it would obtain a 51 per cent. stake under the deal.

In addition, the Exchange required a report from chartered merchant bankers who have been appointed by Haw Par to make an independent assessment of the deal before it could consider ending the suspension.

Re-listing of Haw Par shares took place yesterday on the Malaysian Stock Exchange, when the shares closed at $2.55, against a close of $2.40 before last week's suspension.

The Take-over Panel in London may well give a view on the Haw Par-London Tin question this week.

LONRHO

Following upon the Lonrho/Richard Costain transaction, Mr. M. Al-Fayed who is a director both of Lonrho and Richard Costain has exercised his option on behalf of himself and associates of the United Arab Emirates in relation to the subscription for 2.2m. Ordinary shares in Lonrho at a consideration of £2.6m.

WALKER CROSWELLER

The offer made by Reed International for the outstanding shares of Walker Crosweller, which became fully unconditional on May 9, has been further extended and remains open until further notice.

Acceptances of the offer have now been received in respect of 1,312,343 Ordinary shares of Walker Crosweller which, together with the 47,500 held by Reed prior to the offer, represent over 93½ per cent. of the capital. It is intended in due course to apply the compulsory provisions.

STROUD RILEY DRUMMOND SALE

Stroud Riley Drummond has disposed of its interlining, tie-lining and fusible business to Webb Interlining of Worcester. Consideration depends on the value of stocks as at May 30, 1975. An amount of £250,000 has been received and the balance of approx. a further £200,000 is payable by instalments.

The sale will mean the closure of the spinning and weaving production units at Oswin Mills and a reduction of staff at Oswin House.

However, the company is still firmly entrenched in and has great confidence in the future of the wool textile industry, and is taking substantial advantage of the aid to the industry system under the Industrial Act 1972.

ROWAN & BODEN

Rowan and Boden is a publicly quoted company and its quotation has not been affected by the current offer from Elbon as was suggested in the Financial Times yesterday. As long as Elbon continues to own more than 65 per cent. of the company, Rowan and Boden will continue to be "close."

At present Elbon owns about 80 per cent. of R and B and has not given any commitment significantly to reduce this holding other than to ensure that R and B's quotation is maintained.

Stock valuation boost for Deutsche Shell

Net profit of Deutsche Shell in 1974 rose from DM110.8m. to DM136.7m. on sales DM3,342m. ahead at DM11,200m.

The good result was due solely to extraordinary earnings of about DM600m. (DM135m.) with considerable losses being made *on the oil business.*

These extraordinary factors, mainly following a higher valuation of stocks, which contributed DM450m., will not be repeated this year. Losses on oil business in 1974 were DM17 per tonne.

Volume sales in the first quarter of 1975 fell 10 per cent. compared with the same 1974 quarter, and are expected to decline further. Refinery capacity is now 55 to 60 per cent. in use with some plant being shut down temporarily. The number of German Shell petrol stations fell more than 900 in 1974 to about 4,000.

Confidence at 'Edith'

Mr. J. B. Kinross, chairman of Estate Duties Investment Trust, says that as long as the company does not lower its high standard of selectivity holders may rely on a continuing sound and progressive investment.

He points out that the capital transfer tax legislation has undoubtedly increased the importance of the company's role in relation to the family business. As a result of the rights issue, which raised £5.3m. in June 1974, the company has "substantial" liquid resources and this places it in a favourable position to meet the increased demand for its services.

As reported on April 30 revenue before tax for the year ended March 31, 1975, advanced from £1.19m. to £1.65m. and the dividend is raised from an adjusted 6.56p to 7p net.

SCOTTISH UTD.

Scottish United Investors has completed negotiations for a 10-year parallel loan with Amoco International Oil and its associate Amoco (U.K.) Exploration in terms of which it will make to Amoco (U.K.) Exploration a loan of £3m. sterling and will receive from Amoco International a dollar loan equivalent to that amount.

Interest on the sterling loan will be tied to the minimum lending rate of the Bank of England, presently 10 per cent. Dollar interest rate is initially fixed at 2¾ per cent. less than the sterling interest rate and decreases as MLR decreases.

LAFARGE

	1974 FF 000's	1973 FF 000's
Group turnover	4,854,634	3,892,981
Profit before taxation	269,972	355,766
Profit after taxation	151,743	215,145
Profit after taxation and before extraordinary items attributable to members of the Company	100,865	127,053
Extraordinary items	1,390	(506)
Profit after taxation and extraordinary items attributable to members of the Company	102,255	126,547
Earnings per share before extraordinary items	FF 21.69	FF 27.32
Earnings per share after extraordinary items	FF 21.99	FF 27.21
Dividend per share	FF 10.00	FF 10.00
Tax credit	FF 5.00	FF 5.00
Total dividend	FF 15.00	FF 15.00

Salient points from the Report to Shareholders

Consolidated turnover in 1974 reached 4.65 billion francs, 24.7% over 1973.

Net consolidated profit in 1974, before extraordinary items, was 100.8 million francs, 20.6% lower than in 1973.

Cement in France suffered a slowdown in demand in the second half-year.

The net profit of CANADA CEMENT LAFARGE was less than budgeted for, due principally to prolonged strikes.

The furnace-construction activities showed a substantial deficit because long-term contracts could not be indexed for inflation.

However:

In packaging, a high level of activity was maintained.

LAFARGE FONDU INTERNATIONAL expanded its world-wide operations.

Overseas subsidiaries maintained their profit margins.

Though prospects are uncertain for 1975 the outlook remains good for:

Canada, where increased capacity promises developing exports.

Speedy development of new high performance products in the refractory sector.

Overseas subsidiaries, particularly in Brazil, show promising prospects.

In addition the French government has just granted an increase of six francs per tonne on cement selling prices. Negotiations are in hand for further increases which could materialize before the end of the year.

Certain information required by The Stock Exchange to be made available may be inspected during usual business hours up to and including 26th June, 1975, at the offices of Kleinwort, Benson Limited, 44 Lime Street, London EC3M 7LX, from whom copies of the full Annual Report (both in English and French) may be obtained.

Lafarge S.A., 28, rue Emile Menier, Paris 16e. Tel: 727 97-89. Telex: 62804 F.

ATLAS ELECTRIC AND GENERAL TRUST LIMITED

(Management Group: Touche, Remnant & Company)

The following are salient points from the report and accounts of the company for the year to 31st March, 1975.

★ A final dividend of 0.80p per share is recommended making 1.15p for the year compared with 1.05p last year. The Board is confident that the increased dividend can be maintained. It is intended to pay an interim dividend in December of 0.40p per ordinary share to reduce the disparity between the interim and final dividends.

★ The valuation of investments at 31st March, 1975, was £52,312,450 compared with £52,891,349 last year. This figure includes £6,083,343 being the full investment currency premium of 72½ per cent.

★ Asset value per share is 45p compared with 43½p the previous year and includes 5.6p (2.6p) representing the investment currency premium.

★ The referendum on the European Community is the next major event on the economic scene. Withdrawal would discourage modernisation and expansion of factories in this country and damage both the interests of investors and prospects for employment. Apart from economics, a partnership of European nations working together for the common good is much more appealing than an isolated, introspective offshore island with no influence or significance.

★ The market values as at 31st March, 1975, of the twenty largest investments, convertibles and all classes of equity in any one company being treated as one investment, were as follows:—

	Market Value at 31.3.75 £'000		*Market Value at 31.3.75 £'000*
Jardine Japan Fund	2,105	Barclays Bank	720
General Electric Co.	1,623	Reed International	711
George Wimpey	1,344	Anglo American Investment Trust	690
Vickers	1,170	Standard & Chartered Banking Gp.	653
"Shell" Transport & Trading	1,125	Sphere Investment Trust	652
Unilever N.V.	896	Unilever	650
Royal Dutch Petroleum N.V.	886	Imperial Chemical Industries	645
Allied Breweries	823	Georgia-Pacific	635
Jardine Eastern Trust	811	Hongkong & Shanghai Bkng. Corp.	625
Inchcape	775	Beecham Group	560

These investments total £18,098,389 or 34.6 per cent. of the portfolio.

PROGRESS DURING THE LAST TEN YEARS

Year to 31st March	Total income £'000	Gross Ordinary dividend per share p	Total assets less current liabilities £	Net asset value of Ordinary share p	Indices: 1965=100 Ordinary share price	U.K. index of retail prices	Dividend per Ord. share	Net Asset value
1966	2,486	1.125	41,713	31½	109	104	108	108
1970	2,067	1.25	56,792	47	154	125	120	161
1974	2,928	1.54	58,304	43½	114	177	148	150
1975	3,275	1.75	60,157	45	130	214	168	155

Copies of the Report and Accounts can be obtained from the Secretary, 3 London Wall Buildings, London, EC2M 5PE.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p***	+ or −	Div. & or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£36¾	£32⅝	Bell Canada ($25)	£35¼	......	—	—	—	—
♣	F.P.	—	£22¼	£17½	Cont. Can. Inc. $US1	£20⅝	−⅜	$1.8	—	4.0	—
‡R2	F.P.	30/5	365	293	Doelkraal Gold Mining	330	−28	—	—	—	—
‡‡	F.P.	—	134	120	Ewart New Northern	131	......	—	—	—	—
140	F.P.	20/6	181	164	Bank 'A'	172	+7	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
£100	F.P.	—	100½	99⅝	Agricultural Mortgage 11% 1978	100	......
‡£100	Nil	—	40	25	Allied Irish 10% Conv. Uns 1985	25½	+½
£100	£10	—	11⅜	11½	Colne Valley Water 9% Red. Prf. 1980	11¾	+¼
‡£100	nil	—	29	21	Gestetner 'A' 10% Com. Uns. '90/95	27pm	+1½
$98	F.P.	—	$97	$96½	Granges 9¾% Bonds 1985	$97	......
£97¾	£40	—	39⅝	37	GLC 12½% Stk. 1982	38½	......
α	F.P.	22/8	100	100	Greenwood & Batley 15% Uns. 1976	100	......
£99	F.P.	30/5	102¼	98½	Lincoln Corp. 13% 1980	101	......
††£99	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	104½	......
**	F.P.	23/5	106½	101¾	Mid-Southern Water 10% Prf. 1980	103pm	−1½
$100	F.P.	—	$101	$100½	Norsk Hydro 9¾% Bds. 1985	$101	+½
£100	F.P.	21/5	115½	106	N. Atlantic Secs. 7¼% Cnv. 95-98	115½	+1½
$98	F.P.	—	$98	$96½	Ottawa-Carleton 9% Deb. 1900	$99	+1
$99	F.P.	—	$101	$92½	Papua New Guinea 9½% Guar. 1983	$101	+1
††£75	F.P.	—	105¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104	......
£100	F.P.	30/5	155	122	Slough Estates 10% Cnv. Uns. '87/90	148	+3
£99½	£45	1/8	46¼	43½	Southend-on-Sea 12¾% 1981	44½	+½
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	......
**	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	101½	−2½
£99¼	£65	—	65	65	Warwickshire 12¾% Red. Stk. 1980	65	......
—	F.P.	14/2	90	80	Worth (Bond) 12% Conv. Uns.	86	......
‡£100	£50	2/10	97	67	Yorks Chems. 12½% Conv. Uns.	77	−1

"RIGHTS" OFFERS

Issue Price p***	Amount paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	Stock	Closing Price p***	+ or −
100	F.P.	28/5	30/5	Ash & Lacy	130	......
33	F.P.	16/5	2/7	Associated Biscuit	63	−1
43	Nil	—	—	Associated Engineering	12p½m	......
10p	F.P.	15/5	16/6	Aurora Holdings	11¾	+¼
35	F.P.	28/5	30/5	Cadbury Schweppes	46½	+2
A$1.50	Nil	—	—	Commercial Bank of Australia	110pm	......
65p	F.P.	19/5	10/6	Delta Metal	67	+1
25	Nil	—	—	Elliott Grp. (of Peterboro)	12pm	−2
150	Nil	10/6	12/6	Fairclough (Leonard)	26pm	+2
175	F.P.	19/5	20/6	Guest Keen	251	+7
52	Nil	—	—	Hawkins & Tipson	25pm	−1
125	Nil	4/6	6/6	Linfood Hldgs	33pm	−1
40	Nil	—	—	Macarthys Pharm	17pm	......
100	F.P.	28/5	30/5	Manbre & Garton	125	......
100	Nil	28/5	30/5	Marshalls Universal	28pm	−1
60	F.P.	21/5	23/5	Martin Black	103	−1
60	F.P.	16/5	13/6	Morgan Crucible	93½	−4
25p	Nil	10/6	12/6	Pahang Cons.	½pm	......
105	Nil	—	—	Prudential Ass.	16pm	......
47	Nil	—	—	Richard & Wallington	17pm	......
Kr60	Nil	—	—	S.K.F. "B"	200pm	......
95	F.P.	31/5	2/6	Simon Eng.	111	−1½
77	F.P.	12/5	6/6	Spirax-Sarco	117	−3
315p	Nil	9/6	11/6	Sun Alliance	105p	+3
125	F.P.	30/5	3/6	Tarmac	139	+1
75	Nil	—	—	United Biscuits	25pm	......
25	F.P.	27/5	9/6	Western Selection	35	......

Renunciation date usually last day for dealing free of stamp duty. α Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. F Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 296.6 Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ♣ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

HUNT & MOSCROP (MIDDLETON) LTD.

Extracts from the Interim Report

	Half-year to 31.12.74 £	Half-year to 31.12.73 £	Year to 30.6.74 £
Group Turnover	5,684,170	2,464,000	5,000,477
Profit before Tax	346,000	237,000	487,332
Taxation	175,000	115,000	227,721
Retained Earnings	112,911	78,862	170,479

Mr. Edward W. Hunt, Chairman, reports:

Pre-tax profit increased by 46% over the similar period last year, but turnover was more than doubled. This included nine months' trading of the new subsidiary Hunt-West Ltd. and the delivery of a £1 million contract completed by Chemical & Thermal Engineering Ltd. in November.

The interim dividend paid on the increased capital is calculated on the basis of 0.2460925p, the maximum payable under current legislation.

The Group is still maintaining a healthy forward loading in most divisions and a good volume of orders has recently been received for paper machinery and effluent plant. Inquiries for heat exchangers and process plant continue to be good and we expect a renewed interest in our newly developed textile machinery at the forthcoming major international exhibition in Milan.

FARMING AND RAW MATERIALS

Ghana lifts producers' cocoa price

By Our Own Correspondent

GHANA'S HEAD of State, Colonel I. K. Acheampong, announced at the week-end that the producer price of cocoa is to go up from 15 to 16 cedis (£6) per load of 60.lbs with immediate effect.

Addressing a rally of farmers to mark International Cocoa Day at the Eastern Regional capital of Koforidua, he told the farmers that his Government was determined to encourage cocoa farmers to increase production as well as their standard of living.

The colonel said it was important that the farmers should not only expand their acreages but also increase their output per acre. He regretted the fact that Ghana's share of the world market for cocoa had declined from 37 per cent. in the early 1960s to "a very low level of 27 per cent. last year."

Colonel Acheampong added: "Ghana will never play second fiddle to any country in cocoa production." He urged the farmers not to have it said of them that it was in their generation that Ghana dropped to second-place in cocoa production.

Ghana lost 21m. cedis a year through smuggling of cocoa across her borders, he disclosed. The colonel called on the farmers to expose smugglers of cocoa, spraying machines and insecticides from Ghana as they were "enemies of the state."

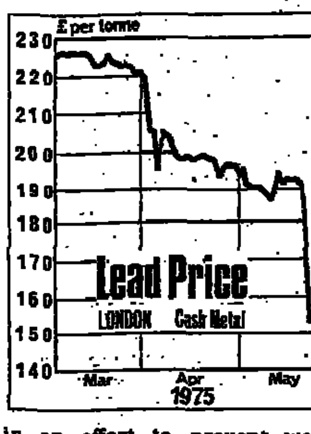
Our commodities staff writes: The announcement was thought by London dealers to have little significance for future prices as Ghana's cocoa producers are probably the lowest paid in the world. The £13.25 fall, to £458.25, in the September position on the London terminal market yesterday was attributed mainly to an apparent easing in the tightness of nearby supplies.

Sharp cut in lead price by U.S. producers

BY JOHN EDWARDS, COMMODITIES EDITOR

A SHARP CUT in the U.S. producer price for lead—down by 3.75 cents to 19 cents a lb—was announced last night by American Smelting and Refining Company (Asarco) and quickly followed by another leading U.S. producer, St. Joe Minerals.

Asarco initiated the cut in U.S. lead prices last month, from 24.50 to 22.75 cents a lb. The company said that the latest cut brought the price more into line with world values on the London Metal Exchange, where the lead price has fallen dramatically in the past few weeks to an equivalent of around 15.5 cents a lb, following the withdrawal of support buying by producers.



In London the lead market steadied slightly yesterday after the decline of over £45 a ton in the cash price during the past fortnight. Despite the U.S. price cut, known in late trading, and an unexpectedly large rise in warehouse stocks, cash lead closed £0.25 up at £146.25 a tonne, although the three months quotation lost £1.5 to £150.25.

The stocks rise of 4,250 tonnes, to a total of 40,350 tonnes, is expected to be the first of several stock increases in the next few weeks. This is thought to be one of the reasons why producers decided to stop their support programme that had held up lead prices for several months.

Reuter reported from Tokyo, meanwhile, that Japanese lead smelters have said they would voluntarily halt exports of lead, except to China, for the present in an effort to prevent world market values declining still further.

Japanese lead smelters have cut output by some 30 per cent., but have still had to export surplus supplies, mainly to China and the Soviet Union, in view of the fall in domestic demand.

Japan is also to continue its ban on copper exports, the Ministry of International Trade and Industry confirmed yesterday. The present ban, which started on November 5 last year, is due to expire next month, but the Ministry said it had turned down smelters' requests to lift the ban as there was no sign of any immediate recovery in the world copper market.

Yesterday's announcement of another massive rise in LME stocks of copper of 12,900 tonnes, raising the total holdings to a new peak of 249,975 tonnes, gave added confirmation of the surplus supplies available.

Although the latest LME stocks increase was above expectations, there was little reaction in the market, cash wirebars losing only £4.25 to £528.25 a tonne. LME copper stocks have now risen for 12 weeks in succession and during that period have grown over 85,000 tonnes.

Nevertheless, cash wirebars have only fallen by £18 compared with he price 12 weeks ago, and forecasts of stocks rising to 300,000 tonnes are being virtually ignored by speculators who consider copper to be a good long-term investment. Trade demand for copper remains at a very low ebb.

A fall of 450 tonnes in zinc stocks, cutting the total to 16,100 tonnes, was larger than anticipated, but market prices came under further pressure. Support buying by producers in early trading was offset by continued selling, and the cash price lost £5.25 to £313.25 a tonne, while the three months quotation fell by £7.75 to £296 a tonne.

Tin stocks rose by 290 to 5,915 tonnes — a slightly smaller rise than anticipated. But the market was unsettled by the further fall in Penang over the weekend, and values eased despite some support buying.

The decline in gold depressed silver values in particular. The bullion spot quotation was cut by 4.7p, to 191.3p an ounce, while on the LME the cash price fell by 5.5p. to 189.85p. LME silver holdings rose by 1,110,000 to 13,930,000 ozs.

No report yet on tin suspensions

By John Edwards

THERE WAS no discussion on the opening day of the International Tin Council meeting in Geneva yesterday of the suspension last month of the buffer stock manager and his deputy, reports Reuter.

The 14-nation committee investigating the suspensions was originally due to report to the Council meeting yesterday, but apparently has made little progress in discussions so far. It is, therefore, expected to report back to the Council at a meeting to be held later this month.

That Council meeting will also consider whether or not to extend the severe controls on tin exports agreed in April to try to halt the decline in prices.

The Penang price for Straits tin has now fallen to $M923.125 a picul, dangerously close to the Tin Agreement "floor" level of $M900, but the export controls cutting supplies available are expected to start "biting" soon.

Our Kuala Lumpur correspondent writes: The retiring president of the States of Malaya Chamber of Mines, Mr. P. A. W. Thuell claimed here that the decline in Malaysia's tin production over the past three years could be attributed to unattractive prices, and did not mean that the country's tin deposits were becoming exhausted. In fact, large deposits had been found in remote areas and in offshore locations, in the past year. But prices would have to be attractive enough to justify the exploitation of these more complex and lower value deposits.

WEST INDIES

Comeback for sea island cotton

BY TONY COZIER, BARBADOS CORRESPONDENT

AS ONE NEWSPAPER here put it recently, "West Indies sea island cotton is on the comeback trail." Combined efforts of the British and Caribbean Governments and of the West India Committee to resuscitate the cotton industry have met with heartening success, production increasing significantly every year to meet a growing market demand.

Cotton is not a new crop in the Caribbean. It was introduced by the early colonisers but then fell from favour, sugar cane taking its place. There was a revival at the beginning of the century but a virtual collapse in the 1930s because of pests, weeds, falling prices and poor management.

When trials aimed at establishing the industry once more were carried out in the mid-1960s they proved promising—though markets could not be found initially. However, with financial and technical help through the British Development Division in the Caribbean and with the interest of the various governments, sea island cotton gradually became established once more. The West India Committee in London undertook promotion and marketing and the results of the overall endeavour are reflected in the statistics.

A long way

The 1970-71 crop in the producing islands—Antigua, Barbados, Montserrat, Nevis and St. Vincent—yielded less than 100,000 lbs of lint with just over 1,000 acres under cultivation. For the current crop, a yield of *600,000 lbs is anticipated from* 2,200 acres.

Even so, the industry still has a long way to go before it can be considered fully viable. Inflation makes it increasingly more costly for spinners to set up machinery to process relatively small quantities of special cottons. The danger is that spinners may ignore sea island cotton if production decreases or even remains static since processing would be uneconomic.

Several developments have, however, encouraged the general feeling that the current recovery is permanent and that sea island cotton will entrench itself as a major cash crop in the islands.

'Luxury touch'

One such development is the success of experiments in mechanisation. Availability of agricultural labour has become a problem throughout the Caribbean and, while it is possible to find willing workers at present to pick the cotton harvest (in Barbados there has been good response to appeals for volunteer help), expansion to the acreages envisaged would create difficulties.

But four years of trials in mechanical harvesting and cleaning have provided encouraging answers. As a result of trials during the 1972-73 crop, the British firm of Carrington and Viyella agreed to purchase all the cotton mechanically picked and cleaned for 1973-74. They now have reported that garments made from machine picked and cleaned cotton are virtually indistinguishable from those made from hand-picked cotton and are commercially acceptable.

Optimism has also been caused by the favourable response in overseas markets to sea island cotton. Mr. Arthur Knight has been employed as international marketing executive by the West India Committee on behalf of WISICA and has carried out his duties with vigorous efficiency. The annual crop has been readily snapped up by buyers in Britain, Italy and Japan and this year's prices of East Caribbean $3.21 and $3.26 are the highest ever.

Mr. Knight has warned that higher prices in the short-term could result in diminishing demand, but he believes that the present trend is only the beginning of the revival in the industry. Previously, sea island cotton garments have been restricted to shirts and underwear, but now new ranges are being introduced such as saris, sheets and pillow cases. The advertising campaign is laying stress on the "luxury touch" and the response has been good.

Another pleasing feature has been the increasing interest of the private sector, in Barbados especially. With the boom in sugar prices, there was justified apprehension that some estates may have turned whatever acreage they had in cotton back to cane. This has not proved the case and, for the present crop, nearly 200 acres are under cotton at private estates with high yields of over 1,000 lbs an acre and an indication that the acreage will increase for 1975-76.

The Barbados Government says that it hopes, eventually, to have 4,000 acres in cotton — compared with 1,100 acres at the moment. One principal advantage is that cotton can thrive in low rainfall areas which are not suitable for cane.

In fact, the future for sea island cotton has seldom looked as bright. The new prosperity of sugar has halted a decline in interest in agriculture in the area, and cotton's success is accentuating this effect.

CHINA SEEKS JAPANESE ALUMINIUM

TOKYO, June 2.

Mitsubishi Chemical Industries has received an inquiry from China on the possibility of importing aluminium from Japan on a long-term basis. No further details were given by the company.

However, Nihon Keizai Shumbun, an economic journal, reported that China wanted to import 10,000 to 20,000 tonnes of aluminium a year, on a two or three year contract, at prices below London Metal Exchange quotations.

NICKEL PRICES

International Nickel's price for nickel pellets and electrolytic nickel in June will be £1,917.42 a tonne based on an average £/$ exchange rate of 2.3709 for April. The price for May was £1,879.76.

Lower U.S. maize crop forecast

BOONE, IOWA, June 2.

THE NATIONAL Corn Growers' Association has cut its forecast of this year's U.S. maize crop to 5,760m. bushels, down 48m. from its May prediction. It put the national average yield at 86 bushels an acre, against 88 bushels forecast last month.

The Association says that, despite a switch of about 2m. acres intended for oats, to maize and soyabeans, it is cutting its forecast because of late planting. Other factors have been dry soil in large areas of Iowa, Nebraska, Minnesota, Wisconsin, South Dakota and Kansas.

The Association says many areas did not receive spring moisture to recharge the subsoil. Although herbicides were used, dry soils have resulted in very weedy conditions.

"All evidence also indicates that farmers have cut back on nitrogen use on maize this Spring by at least 10 per cent. This in itself could mean a yield cut of five bushels per acre nationally," it adds.

"It looks now as though this year will be middling with the maize crop off to an excellent start in some sections, most likely the east and central belt, and only fair to poor in the western third."

From Amarillo in Texas, the Santa Fe Railroad forecasts this year's U.S. winter wheat crop in the five major producing States at nearly 680m. bushels. This compares with the first official U.S. Department of Agriculture forecast of 749m. bushels on May 1 for the States of New Mexico, Kansas, Oklahoma, Texas and Colorado which produce about 60 per cent. of the nation's winter wheat. In 1974 these States produced just over 576m. bushels.

From Washington, meanwhile, the USDA Foreign Agricultural Service reports that, Soviet imports of feedgrains are predicted to continue for a number of years, possibly ranging between 2m. and 5m. tons *annually*.

While the USSR is expected to be nearly self-sufficient in wheat production, feedgrains will continue in short supply. Soviet Government plans to expand livestock output appear to be an irreversible commitment that will be maintained at all costs, the service says.

Reuter

Further drop in sugar prices

By Peter Bullen

THE DECLINE in sugar values continued yesterday, with the London daily price falling by another £5, to £158 a ton. This follows the £14 drop registered last week and brings the LDP *to its lowest level since early* January, 1974.

In the absence of any large-scale buying and with little fresh news expected to affect the market until Friday, when Turkey is holding a buying tender for 10,000 tons, traders in London are not expecting any early change in the trend in sugar values.

On the London terminal market, prices eased early in the day before closing with Nearby August sugar at £150.75 a ton (down £6.5 on Friday's close) and the second position at £148.025 a ton (£3.225 down).

Palladium market hit by recession

THE LATEST palladium price cut by Rustenburg Platinum Mines, to £34.50 a troy ounce from £52, stresses the weak state of demand for the metal. On the free market, prices have fallen to £27.5 a troy ounce from the late August 1974 highs of around £61.5 and are now below levels prevailing at the start of 1974.

Unlike platinum, which combined industrial uses with outlets in the jewellery trade, palladium relied almost totally on industrial demand and has thus been hit harder by the recession, London market sources said.

The motor industry, particularly in the U.S., had made large purchases of Palladium for use in catalytic converters in order to meet emission control requirements. The recession in the car trade has reduced palladium requirements drastically and large stocks that were built up earlier have been overshadowing the market.

The stock position has been aggravated by a switch to other cheaper alloys for important applications such as use in telephone exchanges, while some industrial users turned to substitutes including platinum, which is longer lasting, when price differentials were favourable.

Reuter

DRY COMBED WOOL

It was confirmed yesterday that trading in the London wool futures dry combed contract has been officially suspended. Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lower again on the London Metal Exchange. Prices were lower from the outset following the slightly larger than expected rise in the already record warehouse stocks figure with forward metal trading down to £549. Speculative interest at that level steadied the market, however, and the price then moved within narrow limits before slipping afresh to £547 following the opening easiness of comex. It subsequently rallied to £550 but ended at £548 on the afternoon Kerb. Turnover, 17,675 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £531 to 29, 30, late-Aug. £548, three months £549, 51, 50, 49.5, 50. Cathodes: cash £519.5, three months £539. Kerb: Bars: cash £529.5, three months £549.5, 49, 48. Afternoon: Wirebars: mid-Aug. £544.5, three months £550, 49, 49.5, 49, 48.5, 48. Cathodes: three months £539. Kerb: Bars: three months £548, 48.5, 48.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	529.5-30	+1.5	528-.5	—4.25
3 months	549.5-50	+2	548-.5	—5
Settlem'nt	550	+1.5	—	......
Cathodes				
Cash	519-20	+1.25	518-9	—3.75
3 months	539-40	+1.75	538-9	—3
Settlem'nt	520	+1.5	—	......
U.S. Smt.	—	......	*63.70	......

TIN—Easier. The fall in Penang over the weekend caused initial easiness in prices here. Forward metal gave ground owing to hedge selling and ended at [illegible]

[illegible]

FREIGHTS

DRY CARGO—An accurate trend of rate levels was difficult to assess as details of a number of fixtures were not disclosed, an increasing development in recent weeks. But for early positions in the N. American grain section a slightly firmer tendency was evident on shipowners stiffening resistance.

Cargoes of grain were booked from [illegible]

COCOA

[illegible]

COFFEE

[illegible]

SILVER

[illegible]

RUBBER

[illegible]

GRAINS

[illegible]

...ports were seeking around 3,500 long tons for June and July. Other imported grains were featureless.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., July £82, August £80.15, Sept. £73, transhipment east coast. U.S. Hard Winter No. 2, 13½ per cent., July £66.90, August £68.10, transhipment east coast. EEC milling French feed June £51.00, July 51.50, south coast.

Maize—No. 3 Yellow American/French June 52.25, July 53.00, transhipment east coast. [illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible] ...previous in brackets were changed: White 5.00 (7.00). Raw 3.50 (4.00).

WOOL FUTURES

LONDON—Market declined following overseas advices. Bache reports.

(Pence per kilo)

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 2 1975	+ or —	Month ago
Metals			
Aluminium (u)	£396	....	£378.6
Free market cif	£280-290	....	£285-295
Copper§			
Cash Wire Bars (u)	£528.25	—4.25	£527.75
3 month do. do. (u)	£458.25	—3.0	£546.25
Cash Cathode (u)	£518.5	—3.75	£517.5
3 months do. (u)	£558.5	—3.0	£535.75
Gold .... Troy oz.	$162.5	—5.5	$163.75
Lead Cash (u)	£146.25	+0.25	£190.5
3 months (u)	£150.25	—1.5	£185.75
Nickel (u)	£1,917	+37	£1,888.8
Free market cif (lb)	$1.75-1.8	....	$1.70-1.8
Platinum (b) troy oz.	£67-71.5	....	£67-71.5
Free Market	£55¼-56¼	—0.75	£61-65
Quicksilver (76lb) (z)	$152-167	....	$157-142
Silver Troy oz.	191.3p	—4.7	184p
3 months	196.6p	—4.8	188.9p
Tin Cash (u) §	£2,967	—5	£2,959.5
3 months (u)	£2,995.5	—15.5	£2,995
Wolfram 22.04lb. cif	£40.5-42	—0.5	£41½-43½
Zinc Cash (u) §	£313.25	—5.25	£328
3 months (u)	£296	—7.75	£309.5
Producers (u)	£360	....	£360
Oils			
Coconut Malayan	£175	....	‡
Groundnut			
6%	†	....	£386
Linseed Crude (y)	£450	....	£457
Palm Malayan (a)	‡	....	£183
Soyabean (u)	‡	....	‡
Seeds			
Copra Philipp ton	$230v	+5	$275
Gr'nuts Nigerian	‡		‡
Linseed Can. No. 1	£150v	—6	£164.7
Grains			
Barley EEC	£50.25	—0.75	£49.75
Homes Futures	£52.75s	—0.4	£49.05
Maize			
French No.3 Am.	£52.25	+0.75	£51.5
S.A. Yellow Flint	£51.0	+1.0	‡
Wheat			
No. 1 Red Spring	‡		‡
No. 2 HardWinter	£66.9r	+1.45	£64.2
Australian f.a.q.	‡	....	
English Milling	£52k	....	£51.5
Cocoa Shipment (u)	£551.5	—14.5	£505.5
futures July (u)	£468.25	—13.25	£453.0
Coffee Shipment (c)	‡	....	
futures Sept. (U lb)	£451.5	—1.75	£390.25
Cotton 'A' index			
cent	54.3	....	54.05
JuteLJABWO (d)	£254	....	£244
Rubber .... kilo	27.25p	—0.75	26.0p
Sisal EASL (u)	$600*	....	$860
Sugar	£158	—5	£198
Wooltops 64s .... kilo	195p	—2	187p
Cloves (Madagaska)	£2,350	....	£2,350
Pepper White ... ton	£820	—6	£840
Black ... ton	£615	—5	£675

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h May-June. k June. u Metric tons. r July. v June-July. s July-Aug. t Sept. q Aug.-Sept. w Nov.-Jan.

FINANCIAL TIMES

May 30	May 29	Month ago	Year ago
152.83	153.04	161.44	206.92

(Base: July 1, 1952=100)

REUTER'S

June 2	May 30	Month ago	Year ago
1067.0	1072.0	1075.7	1296.4

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	May 30	May 29	Month ago	Year ago
Spot	269.61	269.63	282.35	332.30
Futures	248.38	249.79	263.87	292.06

(Average 1924-25-26=100)

MOODY'S

Moody's	May 30	May 29	Month ago	Year ago
Sple Comm'ty	715.7	718.5	726.6	781.7

(Dec. 31, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 800 tonnes, F. W. Tattersall reports. Further extensive contracts were mentioned in Middle Eastern qualities although the call for [illegible]

Snow damages East Midlands crops

By Our Derby Correspondent

FREAK SNOWSTORMS swept parts of Derbyshire and Leicestershire yesterday causing more damage to crops already seriously affected by frost.

In the market gardening centre of Melbourne, Derbyshire, the weather was described as "incredible" for June. It closely follows week-end frosts which damaged strawberries, peas, beans and other vegetables. East Midlands farmers yesterday reported that supplies of new potatoes had been delayed by several weeks by the bad weather.

MALAYSIA/SRI LANKA RUBBER PRICE TALKS

COLOMBO, June 2.

Malaysian Primary Industries Minister, Datuk Musa Bin Hitam, and Sri Lankan Plantation, Industries and Trade Minister, Colwin de Silva, have discussed plans for an international rubber agreement to stabilise natural rubber prices, the Ministry said here.

The talks which also covered a buffer stock scheme and complementary supply rationalisation scheme will be continued between officials in Jakarta next month.

Reuter

MALAYSIA CUTS PALM OIL EXPORT DUTY

KUALA LUMPUR, June 2.

The Malaysian Government said it had cut the export duty on palm oil to 278.85 Ringgit per tonne, against 392.78 previously. It has also reduced the surcharge on exports to 23.65 Ringgit (37.68) with immediate effect.

The reduction in duty is based on a fall in the average price for palm oil to 1,182.70 Ringgit per tonne, from 1,383.80.

Reuter

U.S. ANTIMONY PRICE CUT

NEW YORK, June 2.

NL INDUSTRIES has reduced its prices for antimony RMM grade to $1.58 a lb., from $1.73, and for lone star grade to $1.90, from $2.08, f.o.b. Laredo, Texas. The usual two cents a lb. differential remains for deliveries to the east coast.

Reuter.

JUTE

LONDON—Quiet. Bangladesh White "C" grade May-June £224.00, "D" grade May-June £214.00. A long ton.

CALCUTTA—Steady. Indian June Rs.465.00. Dundee Daisee June Rs.425.00 values A bale of 400 lbs.

DUNDEE—Quiet, and prices nominal. Calcutta goods steady. Quotations c. and f. U.K. for June shipment: 10-oz. 40-inch £7.60, 7½-oz. £5.96 per 100 yards. July £7.81 and £5.99. Aug.-Sept. £8.02 and £6.06. "B" twills: £22.38, £22.71 and £22.49 for the respective shipment periods. Yarn and cloth very quiet.

MONEY MARKET

Uncertain conditions

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Day-to-day credit was in uncertain supply in the London money market yesterday, and books were balanced only after the authorities had lent a moderate sum to three or four Discount houses for one-day at the Bank of England Minimum Lending Rate of 10 per cent. Identified factors suggested no broad, underlying shortage, and it seemed that the funds to repay the Bank of England loans might, in rough terms, have been left overnight with the banks. Banks had carried over a surplus from Friday. Government disbursements were greater than revenue transfers to the Exchequer, and there was a fall in the note circulation, but the market faced a net take-up of Treasury bills, the authorities held maturing bank bills, the Discount houses repaid the large sum borrowed on Friday from the Bank of England, and gilt-edged settlements were once more against the market's favour.

Discount houses paid 8¾-9 per cent. for secured call loans in the earlier part, and took some balances at 10 per cent. during the day, but late balances were found in some instances at 8-9 per cent. In the inter-bank market, overnight loans were in a broad range of 8¾-9¼ per cent.

The one-month sterling certificate yield showed little net change, ending at 9½-9⅝ per cent., against 9[illegible]-9[illegible] per cent., while the three-month closed at the previous 9[illegible]-9[illegible] per cent., and the one-year was a shade easier, 11⅛-11[illegible] per cent., against the previous 11¼-11⅜ per cent.

Rates in the table below are nominal in some cases.

June 2 1975	Sterling Certificates of deposit	Inter-bank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank bills ф	Fine trade bills ф
Overnight	—	8¾-9½			—	10¼	8¾-10	—	—	—
2 days notice	—	—	9⅛-9¼	—	—		—	—	—	—
7 days or 7 days notice	—	9½-9½	9⅝-9½		9½-10½	—	8¾-9¼			—
One month	9½-9⅝	9½-9[illegible]	9⅝-9½	10-9½	9[illegible]-10¾	—	9	9[illegible]-9⅝	9½	10⅝-11¼
Two months	9[illegible]-9⅝	9[illegible]-9[illegible]		10-9½	10½-11	—	9¼	9⅝-9[illegible]	9[illegible]	10½-11¼
Three months	9[illegible]-9[illegible]	9[illegible]-9[illegible]	10	10-9½	10[illegible]-11¼	—	9⅝-9½	9½-9[illegible]	9[illegible]	10½-11¼
Six months	10[illegible]-10[illegible]	10[illegible]-10[illegible]	10⅝-10½	10½-9[illegible]	10⅝-11¾	—			10⅝	10¾-11½
Nine months	10[illegible]-10[illegible]	10¾-10[illegible]	—	11¼-10¾		—	—			—
One year	11[illegible]-11[illegible]	11[illegible]-11[illegible]	10[illegible]-10[illegible]	11[illegible]-11[illegible]						
Two years	[illegible]	[illegible]	[illegible]	[illegible]						

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years [illegible] per cent.; four years 14-14½ per cent. ф Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills [illegible] per cent.; and four-month trade bills 10¾-11¼ per cent. Approximate selling rate for one-month Treasury bills [illegible] per cent.; two-month 9[illegible]-9[illegible] per cent.; three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent.; for two-month 9[illegible] per cent.; and three-month [illegible] per cent.; one-month trade bills 10½-11 per cent. and three-month 10¾-11 per cent. Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: [illegible] per cent. Clearing Bank Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4459 per cent.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30

Money was given for the "call" of D. Charles, British Leyland, Fairey, GEC, ICI, Burmah Oil, Armstrong Equipment, Lonrho and Courtaulds. "Puts" were arranged in J. Coral and Sears, while double options were transacted in Dunlop and Amalgamated Investment and Property.

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Export boost for Tyne cargo trade

By Our Own Correspondent

A BOOST for the Tyne's cargo trade got underway at Tyne Dock yesterday. Triton International Carriers of Jersey began loading 41 buses and 65 tractors—all of British Leyland manufacture—into the freighter Cosmopolit for Venezuela.

To-day, the MV Lancashire will be at Tyne Dock, loading for the Gulf. It is now intended to have a monthly departure from the Tyne to the Gulf ports and a second vessel is scheduled to load at the end of June.

Export of buses to Venezuela is expected to continue into next year. By then, it is hoped, other business will have developed for this route.

Silk motor-cycle on sale soon

By Our Derby Correspondent

FIRST DELIVERIES will start later this month of a new all-British water-cooled motorcycle.

The 660cc Silk 700-S is undergoing reliability trials at the manufacturers, Silk Engineering, of Derby. The machine weighs only 320 lbs., has a fuel consumption of more than 60 mpg and a top speed of 115 mph. It will cost £1,290 plus VAT ex-works.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10¾%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet ...	10½%
C. E. Coates	10½%
Consolidated Credits ...	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities...	9½%
Credit Lyonnais	9½%
G. R. Dawes	10¾%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont	11½%
First London Secs. ...	9½%
First Nat. Secs. Ltd. ...	11½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty...	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners ...	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10¾%
Kingburst Securities ...	12 %
Lloyds Bank	9½%
London & European ...	11½%
London Mercantile ...	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd. ...	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'ces	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw ...	10 %
Williams and Glyn's ...	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 161½-164½

CORAL INDEX
Close 358-363

INSURANCE BASE RATES

† Atlantic Assurance ...	11¼%
Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

INSURANCE, PROPERTY, BONDS

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

Columns: Monday, June 2, 1975 (Index No.; Day's Change %; Est. Earnings Yield % (Max. Corp. Tax 52%); Gross Div. Yield % (ACT at 35%); Est. P/E Ratio (net) (Corp. Tax 52%); Est. P/E Ratio (nil) (Corp. Tax 52%)); Friday May 30; Thurs. May 29; Wed. May 28; Tuesday May 27; Year ago (approx.) (Index No.); Highs and Lows Index: 1975 High, Low; Since Compilation High, Low.

No.	Group	Index No.	Day's Change %	Est. Earnings Yield %	Gross Div. Yield %	Est. P/E (net)	Est. P/E (nil)	Fri May 30	Thurs May 29	Wed May 28	Tues May 27	Year ago	1975 High	1975 Low	Since Comp. High	Since Comp. Low
1	CAPITAL GOODS (181)	125.85	+2.2	19.13	6.39	7.72	7.72	123.14	124.18	125.65	127.30	101.35	129.41	51.78	206.37	50.71
2	Building Materials (30)	108.30	+1.9	20.63	7.19	7.41	7.41	106.31	107.43	109.06	111.10	100.49	117.40	45.11	233.84	44.27
3	Contracting, Construction (23)	232.56	+1.7	17.90	4.08	8.27	8.27	228.60	230.33	235.86	240.48	165.04	251.61	74.74	389.33	71.48
4	Electricals (16)	222.76	+4.3	16.81	5.27	8.58	8.56	213.49	215.39	219.52	232.43	194.24	229.60	98.49	350.04	84.71
5	Engineering (Heavy) (13)	153.71	+1.7	22.49	7.14	6.70	6.70	151.14	151.27	153.03	156.46	104.98	159.79	64.39	203.57	64.39
6	Engineering (General) (65)	111.60	+1.5	19.63	7.15	7.46	7.46	109.96	110.94	111.40	112.35	82.66	112.99	45.43	168.59	45.43
7	Machine and Other Tools (11)	48.62	+1.0	15.33	9.73	11.26	11.12	48.14	48.50	48.59	48.97	33.82	48.98	20.11	136.70	19.96
8	Miscellaneous (23)	117.15	+1.0	20.74	6.65	6.97	6.97	115.98	116.85	116.82	117.69	92.72	118.38	49.65	177.41	49.65
9	CONSUMER GOODS (DURABLE) (59)	87.28	+2.8	20.71	7.14	7.13	7.11	84.91	84.84	86.85	87.64	88.91	90.59	38.39	227.78	38.39
10	Electronics, Radio TV etc. (15)	98.18	+3.8	20.75	5.23	6.98	6.97	94.60	94.53	97.75	99.09	106.27	105.62	44.28	287.41	42.85
11	Household Goods (15)	141.05	+0.7	29.92	7.53	4.83	4.83	140.08	139.83	140.36	140.12	145.16	146.90	64.53	263.22	63.92
12	Motors and Distributors (29)	47.90	+2.4	16.53	9.65	9.44	9.38	46.79	46.76	47.61	47.97	44.04	50.55	19.91	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (164)	142.27	+2.6	14.12	5.72	10.07	10.02	138.72	139.46	141.53	144.14	107.02	145.61	61.98	226.06	61.41
14	Breweries (16)	155.56	+2.5	12.83	6.35	11.65	11.65	152.04	152.52	155.86	162.46	123.95	162.46	75.58	281.87	69.47
15	Wines and Spirits (8)	167.60	+1.8	13.51	5.59	10.91	10.91	164.71	164.43	166.54	168.41	143.19	171.28	80.42	257.40	78.88
16	Entertainment, Catering (16)	152.65	+2.7	14.10	7.36	10.44	10.44	148.57	149.89	153.23	158.44	120.55	158.44	55.28	329.89	54.85
17	Food Manufacturing (22)	153.24	+3.6	13.45	5.09	10.11	10.06	147.93	149.92	151.51	153.46	106.30	156.15	62.03	211.65	59.67
18	Food Retailing (16)	146.46	+1.8	10.60	4.27	13.87	13.87	143.85	143.47	145.77	146.64	99.37	146.64	57.15	235.08	54.25
19	Newspapers, Publishing (15)	147.60	+1.9	17.60	6.47	8.54	8.54	144.81	144.71	147.41	147.95	144.13	147.95	55.08	260.29	55.08
20	Packaging and Paper (13)	100.08	+0.3	22.46	6.60	6.49	6.50	99.73	101.20	102.79	104.19	73.63	107.12	43.46	156.69	43.46
21	Stores (30)	128.76	+2.4	10.71	5.04	13.96	13.96	125.80	125.65	127.52	129.24	86.65	132.94	52.63	204.39	52.63
22	Textiles (19)	141.10	+1.9	25.17	6.32	4.73	4.58	138.45	140.58	142.78	145.07	116.70	145.07	62.91	253.72	62.66
23	Tobacco (3)	190.14	+3.5	17.42	7.01	8.54	8.54	183.72	185.49	190.10	192.14	165.24	199.16	109.92	339.16	94.34
24	Toys and Games (6)	41.68	+1.2	30.31	7.40	4.61	4.61	41.20	41.68	41.93	42.26	39.65	43.61	20.92	135.72	20.92
	OTHER GROUPS (92)															
25	Chemicals (25)	182.90	+3.7	19.42	4.87	7.54	7.34	176.43	178.05	177.86	181.03	153.52	182.90	73.14	201.92	71.20
26	Office Equipment (10)	96.82	+3.8	14.75	5.48	9.12	9.12	93.26	95.22	96.72	97.72	108.93	104.78	45.34	246.06	45.34
27	Shipping (11)	384.73	+2.2	23.70	6.14	5.16	5.03	376.47	377.26	382.90	388.08	329.25	401.84	194.38	517.00	90.80
28	Miscellaneous (46)	149.44	+1.7	17.60	6.50	8.21	8.21	146.89	147.86	149.88	151.26	119.15	152.06	60.39	258.83	60.39
29	INDUSTRIAL GROUP (496)	138.89	+2.6	16.78	5.88	8.54	8.51	135.38	136.27	137.96	140.12	109.77	141.24	59.19	220.17	59.01
30	OILS (4)	291.65	+4.6	25.23	5.20	4.25	3.96	278.77	278.98	279.85	282.24	215.22	291.65	105.83	431.66	87.23
31	500 SHARE INDEX	151.70	+2.9	18.04	5.78	7.42	7.26	147.43	148.38	149.91	152.11	118.74	152.81	63.49	227.95	63.49
32	FINANCIAL GROUP (100)	142.04	+4.0	—	5.11	—	—	136.52	138.73	141.38	143.07	106.64	148.45	56.50	241.41	55.88
33	Banks (6)	163.88	+5.5	22.58	4.81	6.59	6.59	155.59	156.17	158.30	158.89	173.90	163.88	62.56	288.32	62.44
34	Discount Houses (9)	156.88	+2.5	—	7.65	—	—	153.07	152.75	153.27	152.34	121.56	169.27	84.13	293.13	81.40
35	Hire Purchase (5)	94.85	+3.5	26.31	9.66	5.05	4.63	91.68	84.21	97.18	102.22	197.52	134.39	42.81	433.72	38.83
36	Insurance (Life) (9)	115.16	+3.7	—	5.93	—	—	111.05	115.61	118.35	120.64	89.95	127.97	44.88	194.46	44.88
37	Insurance (Composite) (7)	115.91	+3.7	—	5.69	—	—	111.82	113.64	116.42	118.47	71.63	123.90	44.47	155.76	43.96
38	Insurance (Brokers) (8)	204.01	+2.8	9.84	4.30	15.07	15.07	198.40	200.18	201.06	201.57	143.79	211.50	68.96	268.57	65.86
39	Merchant Banks (19)	85.98	+3.4	—	7.27	—	—	83.17	84.61	85.97	86.58	94.71	94.97	31.21	278.57	31.21
40	Property (32)	205.84	+3.5	3.99	3.04	36.76	35.81	198.86	204.29	207.61	210.58	142.14	241.22	88.19	357.40	56.01
41	Miscellaneous (5)	72.63	+4.7	15.67	8.94	9.24	9.14	69.40	72.04	71.70	72.02	91.58	75.78	34.78	303.15	33.29
42	Investment Trusts (50)	170.01	+1.1	2.94	4.08	33.97	33.97	168.10	169.25	170.62	171.85	119.80	174.52	73.43	245.79	71.63
43	ALL-SHARE INDEX (650)	149.68	+3.0	—	5.54	—	—	145.31	146.46	148.27	150.30	115.44	152.07	62.16	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	498.94	−1.0	10.40	6.53	11.39	10.90	503.77	517.64	518.46	522.42	394.03	525.43	281.66	555.37	84.68
45	Teas (10)	94.97	+1.1	20.28	8.42	6.27	5.80	93.97	90.10	90.28	90.28	107.97	94.97	76.76	121.47	59.72
46	Coppers (3)	437.69	−5.4	44.87	17.25	2.23	2.23	462.90	462.90	464.66	467.74	388.81	467.74	374.38	567.78	94.08
47	Mining Finance (11)	139.94	−1.0	8.71	3.77	12.51	12.48	141.34	139.18	138.68	141.04	95.74	141.34	80.58	175.90	66.31
48	Tins (8)	112.28	−0.2	9.08	7.38	14.18	12.18	112.46	111.97	106.66	109.27	89.51	112.46	58.91	125.43	54.84
49	Overseas Traders (13)	239.96	−0.5	14.59	8.79	8.72	8.70	241.08	244.07	243.77	244.35	—	252.23	97.37	352.23	97.37

No.	FIXED INTEREST	Monday, June 2 Index No.	Monday, June 2 Yield %	Friday May 30	Thurs. May 29	Wed. May 28	Tues. May 27	Friday May 23	Thurs. May 22	Wed. May 21	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.73	14.93	14.92	14.92	15.14	15.11	15.10	15.10	13.72	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.50	‡13.69	47.10	47.25	47.60	46.95	46.89	46.91	47.03	52.25	53.09	38.27	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	46.14	‡16.94	45.80	45.81	45.81	45.64	45.64	45.60	45.60	48.47	50.68	37.01	113.45	37.01
4	Investment Trusts Prefs. (15)	42.66	16.23	42.58	42.76	42.85	42.85	43.13	43.09	42.90	45.34	46.57	35.35	114.41	34.45
5	Coml. and Indl. Prefs. (20)	58.93	15.98	59.09	59.20	59.35	59.25	59.35	59.07	58.45	59.53	66.98	48.35	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries Indices are calculated by Exel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 18p. Commonwealth 18p. Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	20	290	+9	290	115
BP	£1	19	518	+28	518	190
Sun Alliance 'New'	Nil/pd.	18	105*	+3	130*	98*
BATS	25p	16	335	+17	337	164
Prudtl. Ass. 'New'	Nil/pd.	12	16*	+2	24*	14*
Barclays Bank	£1	11	297	+14	307	125
EMI	50p	11	182	+8	200	62
GEC	25p	11	126	+6	131	51
Shell Transport	25p	11	339	+11	341	118
GKN	£1	10	256	+10	259	95
Natl. Westminster	£1	10	247	+14	253	88
P. & O. Defd.	£1	10	114	+3	123	39½
Midland Bank	£1	9	272	+14	303	122
Thorn Elect. 'A'	25p	9	182	+12	192	35
Courtaulds	25p	8	134xd	+2	140	53

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

NEW "HIGHS" AND "LOWS" FOR 1975

NEW HIGHS (117)

NEW LOWS (2)

RISES AND FALLS YESTERDAY

FINANCIAL TIMES REPORT

Tuesday June 3 1975

CRANES

Britain's crane makers are facing difficult times, particularly among their major customers such as the construction industry. But some sectors are still flourishing.

Bright spots among gloom

TAKE A LOOK to-day at the main customers for cranes and the picture which emerges is not particularly pleasant. There are only one or two bright spots amid the gloom. We can say there are roughly four kinds of crane — mobile-tower cranes; overhead travelling cranes; marine cranes and special cranes. In many cases the industries they serve are fully feeling the effects of the current recession.

The mobile-tower cranes rely mainly on the construction industry for orders. And the U.K. construction industry is firmly rooted in the worst depression in living memory. Some mobile-tower cranes are used in the construction of process plant, however, and this is where there is some kind of reasonable activity.

Overhead travelling cranes—and there are many small manufacturers of this type of equipment—are very much dependent on industrial investment, the building of new factories, warehouses and so on.

But capital investment by U.K. industry is at a very low ebb and likely to get worse before it gets better.

*Marine cranes, serving ship*building and shipyards, face a similar situation in Britain, although there is fortunately some activity overseas. The U.K. market for dockside cranes is pretty thin and groggy just now but the OPEC countries in particular are showing plenty of buoyancy.

Among the special cranes there is not much of a market just now for power station cranes, the very big overhead travelling cranes. Prospects for steelworks cranes are good, thanks to the British Steel Corporation's £4bn. development programme. The question here, however, is just how long that programme will be allowed to slide before firm orders begin to flow in.

Among the "specials" there are also the cranes for drilling rigs and oil platforms. The U.K. industry is making some headway in denting the market for the cranes which are used on the platforms. But most platforms are made outside Britain and use mainly U.S. cranes.

For example, American Hoist *and Derrick, the major heavy* crane maker in the U.S., can claim that every one of the rigs to be used in the North Sea Forties Field will have one of its cranes as part of the equipment, as will many of the shore-based facilities serving the North Sea.

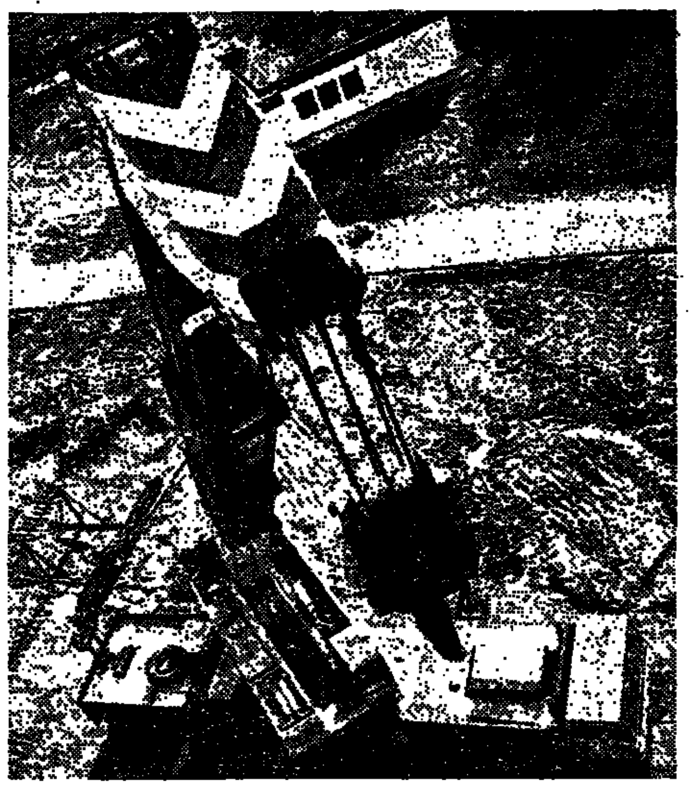
There is surprisingly real reluctance among Britain's crane makers to admit that times are hard, however. It is true that most cranes are tailor-made and orders can take some time to complete. Some crane manufacturers can live off their "fat" for up to two years, particularly if they are at the heavier end of the business. The lead time on smaller overhead travelling *cranes is usually a matter of* weeks rather than months, though, and a few manufacturers can supply from stock.

Good news

And the crane industry is one where it is still possible to hear good news flowing at a reasonable rate. To take some random examples, in the home market there has been the £1m. of orders (representing six units) taken by Grove Allen for its TM 1075 (90-ton lifting capacity) and TM 1275 (110-ton lifting capacity) mobile-tower cranes.

On the export front Adamson Alliance, the Norcros subsidiary, has captured another £2.5m. of business from the Australian steel industry after delivering a £1m. crane only a few months ago.

And there has been the phenomenal £15m. order for Stothert and Pitt from the Saudi Arabian Ministry of Commerce. This order involves the purchase of 66 of Stothert's *standard dockside cranes and* it will amply make up for the lack of U.K. demand as far as rail mounted dockside cranes are concerned — Britain is described by Stothert as "a dormant market."



Coles LH 1000 telescopic truck-mounted crane, with a lifting capacity of 100 tonnes.

Clarke Chapman, the largest company in the business and one whose operations cover a wide range—from the bread-and-butter business of five-ton overhead travellers to the capability to make 2,000-tonners for the oil industry—says that things are "still pretty buoyant. We are getting some very interesting orders." These sentiments are echoed by many other companies in the industry.

The crane makers report that in general the number of inquiries has certainly dropped away. But it turns out that the remaining inquiries are more likely to lead to an actual order in the long run.

One big problem in recent months is that the tight financial control being operated by many industrial companies has led to a change in the pattern of ordering of capital equipment. Whereas once upon a time the chief engineer at a particular plant would decide he needed a new item of equipment—and that could be a new crane—and then he would go out and buy it as part of the total agreed capital outlay in his budget, to-day even relatively small items of capital expenditure have to get a nod of approval from the main Board. This takes time and causes delay.

Orders are there for the companies which want to go out and fight for them. And the hope *is that the Western world's* economy will pick up again before the crane-makers lose all the "fat" from their order books.

With exports becoming an increasingly important part of the business in most sectors of the industry, the U.K. rate of inflation—rising to even more appalling levels while our major industrial rivals seem to be bringing down their rates to respectable proportions — is playing an important part in the development of the industry.

Like many other manufacturers of capital equipment, the crane-makers fear that Britain might price herself out of export markets. In particular, it is difficult for them to tender for long-term contracts. If they allow for a realistic rate of inflation the price they must quote is so high the customer goes elsewhere.

In this context it must also be remembered that the U.K. rate of inflation is measured by the rise in the Price Index—an index which has little real relevance in the industrial context. Certainly the cost of components used by the crane makers has been going up far in excess of the 25 per cent. cost-of-living index rate. Some component makers seem either not to have heard of the Price Code or to be blatantly ignoring it—something their larger customers cannot afford to do.

As for steel, the British Steel Corporation talks in terms of adding "an average of 15 to 20 per cent." to its prices over the past year. This "average" has some meaning when discussed in the context of the Corporation's total annual income. It has no meaning to the BSC's customers because very few of them demand a broad range of steel. For the crane makers, a more realistic view of steel price increases is that they have been around 35 per cent. over the past year for the kind of metal that they require.

While inflation remains the number-one enemy, the crane manufacturers still have to cope with some pretty effective technical barriers when trying to sell into the developed countries of the West—including those within the Common Market area.

Different

For example, France requires cranes to have ropes different from those fitted in any other country. Holland insists on stability specifications far more stringent than anywhere else in the world. Italy's technical requirements covering the way ropes are strung from the boom of a crane are completely different from those of all its European partners.

All this helps to show why the U.K. manufacturers tend to go for markets outside Europe where they can compete on equal terms with the overseas competition rather than face the protectionist barriers they find when trying to sell in those countries which have crane-making industries of their own.

Not that there are many "wholly-British" cranes to be found. Acrow Crane and Hoist brings a lifting unit from Stahl in Germany to add to the crane structures it fabricates in the U.K., for example. Jones Cranes, the George Cohen 600 Group subsidiary, provides truck cranes which include superstructures from Lokomo Oy of Finland and a chassis made in Britain. There are many more examples.

On the other hand, the success American Hoist and Derrick is having in putting cranes on North Sea rigs means that it hopes to have some U.K. manufacturing facilities (providing jobs in Britain) before too long.

The AHD situation also highlights the problems makers of expensive capital equipment like cranes face in trying to break into new markets. Customers like the American-dominated oil search companies tend to buy from companies which have previously produced the equipment they need and have a known record of technology and performance.

This kind of conservatism can obviously benefit U.K. companies on other occasions. Stothert and Pitt's track record certainly helped it beat off Continental European competition for the Saudi Arabian contract.

For the long-term, the crane makers can always be sure that the business will be there when the world's economy picks up. Cranes contain a great deal of technology and demand a great deal of know-how to produce. The industry suspects that cranes will be among the very last things that the developing countries will get around to making for themselves as they develop.

Kenneth Gooding,
Industrial Correspondent

From the light to the heavy end

THE CRANE industry splits neatly into two compartments. At the heavy end there are relatively few companies. The technology and expertise employed is extensive and this is not a sector where any old engineering company can jump in at a moment's notice. However, at the very light end of the crane industry — the manufacture of overhead travelling cranes—something like that does happen. There are any number of companies which seem to appear on the scene when demand is high and then drop out again when the situation is not so bright.

Overall, the crane industry has been contracting over the past five years or so. There have been many mergers and some companies have disappeared from the scene. This rationalisation has been important because it has given the industry a much more healthy appearance and allowed it to put up a better performance on the export front.

As it happens, however, Britain's biggest crane manufacturer was not put together because of this part of its business at all. Back in 1970, at the instigation of the Industrial Reorganisation Corporation, two of the U.K.'s boilermakers, Clarke Chapman and John Thompson, merged. *The idea was that the link-up* would make them better equipped to compete for the nuclear power station contracts coming up. But both groups also had extensive crane interests. The IRC had prompted Clarke Chapman in particular into building a vast cranage business via the take-over of Clyde Crane, Sir William Arrol and Wellman *Crane Company.*

So to-day the Clarke Chapman range covers the lighter end of the business with five-ton overhead travelling cranes and works its way through practically all types up to the capability to manufacture 2,000-tonners for the oil industry. So far, though, the heaviest crane it has been asked to make is a steelworks ladle crane capable of lifting 485 tons.

Diversified

Another major crane manufacturer which ended up as part of a diversified group for reasons which had nothing at all to do with the crane business is Adamson-Alliance. Once part of the Crittall-Hope Engineering Group, one of Slater Walker's interests, it was acquired along with Crittall-Hope by Norcros which, in turn, has the look of an old-style industrial holding company. Adamson-Alliance is now part of Norcros Engineer*ing along with another well-*known crane name, Butterley Engineering.

A-A designs and makes the specialised cranes required for steelworks as well as those for docks and container stations. Butterley's crane business now accounts for less than one quarter of its turnover but it is still turning out smaller steelworks cranes which compliment the A-A range.

There is also a long tale of mergers behind the crane interests at Acrow (Engineers). Acrow had developed its own business specialising in electric overhead travelling cranes and overhead gantry cranes, a natural adjunct to its other activities in engineering, and called it Acrow Crane and Hoist. Then, departing dramatically from the old Acrow ideal that its products would be of the kind that "you can make, sell and forget about because they need no servicing," the group acquired the Steel Group. Steel brought with it both Coles *Cranes and Priestman Brothers,* makers of crawler and lorry-mounted cranes. These two companies continue to operate autonomously under the old names.

Meanwhile, Acrow Crane and Hoist has recently moved from Saffron Waldon in Essex to Duckenfeld near Manchester and is still awaiting planning permission for a new works there. So it is currently concentrating only on the production of standard overhead travelling cranes.

Another crane company featuring in a recent merger is Ransomes and Rapier, maker of the "Rapier" cranes. It continues almost as before in spite of the ownership change. R and R was part of Newton Chambers, which has been taken over by another industrial holding company, Central and Sheerwood Trust.

It was quite natural that two companies which started off in the scrap metal business should develop crane manufacturing offshoots—after all, that scrap has to be shifted in quantity. In the George Cohen 600 Group's engineering division there are both Jones Cranes, which makes lorry-mounted cranes, and British Hoist and Crane, manufacturer of the interestingly named "Iron Fairy" hydraulic mobile cranes.

Like the 600 Group, Thos. W. Ward's activities have spread far beyond the original ferrous scrap business. Its crane manufacturing concerns include John Smith (Keighley), maker of giant overhead travellers, Butters Cranes, dockside and derrick cranes and winches, and Thomas Smith and Sons (Rodley), which manufactures excavators as well as cranes.

And among the other crane companies which have become part of major industrial groups in recent years is J. H. Carruthers. In 1973 Carruthers, which received the Queens Award for Industry for technological innovation after introducing the Monobox, an entirely new type of overhead crane, became part of the Burmah Oil's engineering division. As with so many other crane concerns which were absorbed by bigger companies, the merger has enabled Carruthers to expand its production capacity at a faster rate.

There are some crane concerns which are just that—mainly concerned with the manufacture of cranes. Among them are two outstanding examples. Stothert and *Pitt is* one. The company has done its own radical rationalising since the early 1970s—a change necessitated by some poor financial results. It decided to concentrate on four main production areas—construction equipment; pumps; cranes; and paint and printing ink machinery. At the same time it concentrated on to fewer sites at its home town of *Bath to increase production* efficiency.

Then there is Herbert Morris, whose products cover a range including heavy- and medium-duty electric overhead travellers, hand cranes, light lifting products, shipyard cranes and heavy special cranes like the four 130-tonners double box girder cranes for the Cammell Laird shipyard.

Other "independents" include Thomas Smith and Sons (Rodley), which makes crawler cranes, hydraulic truck cranes and dragline excavator cranes and has been a part of the U.K. engineering scene for more than 100 years.

U.S. parent

There is no lack of overseas influence in the crane industry. The Scottish group, John M. Henderson, which concentrates on "one-off" production of specialised types of heavy duty cranes used mainly in the construction industry, has for some years been controlled by the *U.S. conglomerate,* Gulf and Western Industries Inc. In January this year G. and W. acquired the 39.6 per cent. of Henderson it did not already own.

Then there is the Lincoln manufacturer of crawler mounted cranes, Ruston-Bucyrus, which is a wholly-owned subsidiary of Bucyrus-Erie of the U.S.

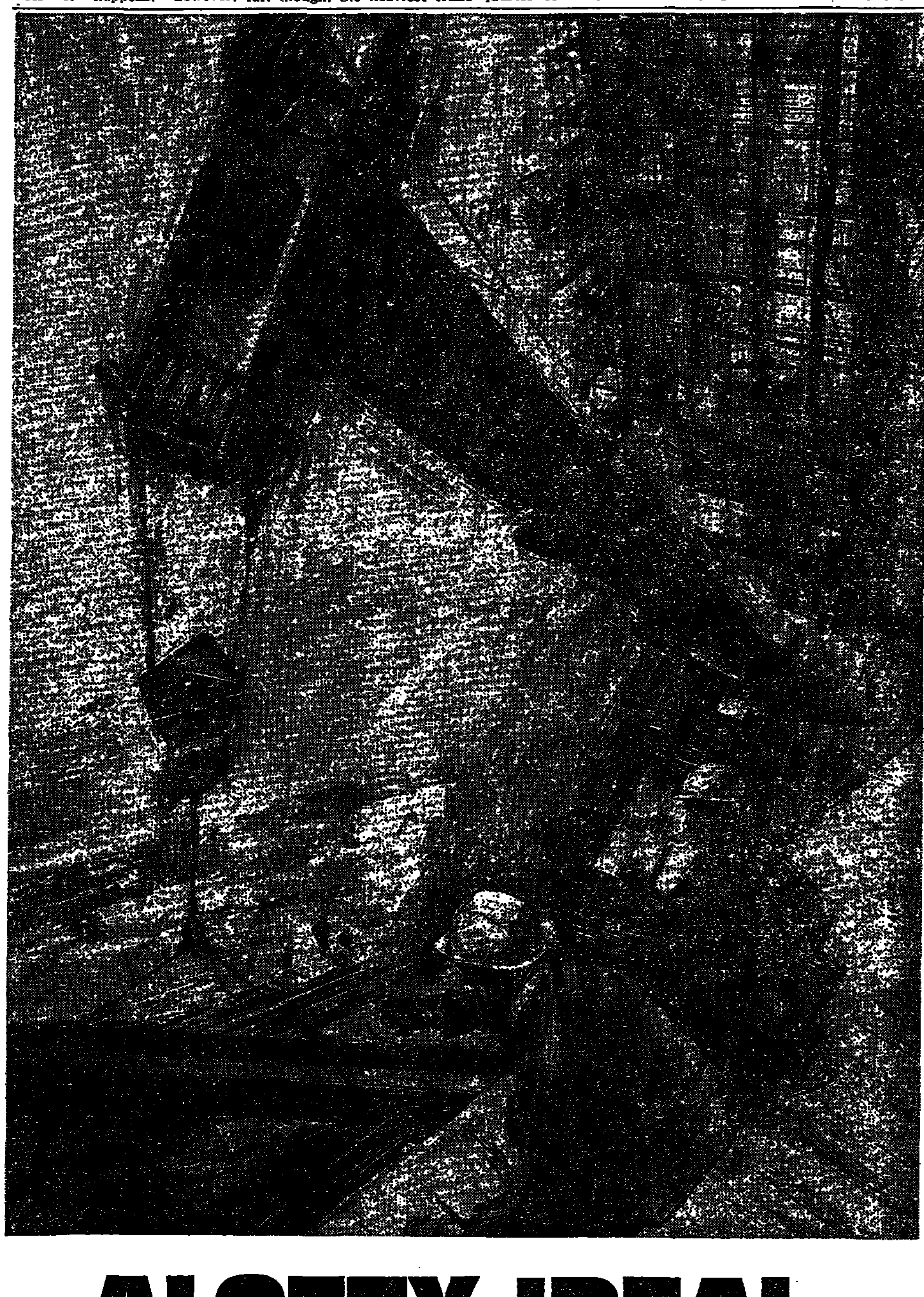
The American influence is also felt at Grove Allen, a company resulting from the 1973 merger of Allen's of Oxford and Grove of the U.S. For years before the merger, Grove had been supplying cranes for which Allen made the chassis. Since the merger the group has been expanding at both its factories—in Pennsylvania and Oxford. At Oxford some £5m. has been spent to expand and up-date facilities.

Not all the overseas interest comes from the U.S. Demag, the major West German engineering concern which in turn is part of the Mannesmann business (international sales totalling *over £2bn.*), has been building up its U.K. manufacturing capacity. Since 1969 Demag Materials Handling has invested well over £1m. at its Banbury factory which is to be expanded again next year.

The expansion will add up to 12 per cent. to Demag's capacity for producing electric overhead travelling cranes. Not only will more cranes be made but the *project will also enable the com*pany to build cranes with a 62-ton lifting capacity against its maximum of 25 tons at present.

Perhaps the most unusual of the crane manufacturers is Munsters of Marlborough, Wiltshire, a British-owned company which makes all its cranes in Holland. During the past year this company has appointed major dealers in 26 overseas *markets as part of an interna*tional sales drive and there are plans to start selling in Canada, South America and, later, the U.S.—all seen as growth areas for Munsters' range of self-erecting, mobile, trolley tower cranes.

Kenneth Gooding



Technical guidelines

ALTHOUGH there has been little change in the basic design of most types of crane in the past two to three years, *manufacturers* are continually improving and developing their products with the application of new technology.

The philosophy of Demag, the international engineering group, is perhaps a good guide to the industry's approach to research and development. It recognises that innovation plays an ever more decisive role in machine building and then applies three principles.

The first is that in highly industralised nations, manpower is being replaced by increasingly sophisticated and efficient machines in order to free employees for more highly qualified activities. Secondly, compatability with the environment and improvement of the infrastructure are requirements of society which are gaining in priority. Machines and installations must meet these requirements. Finally, more and more individual machines are being replaced by systems, the combination of hardware and software.

Furthermore, the replacement of ever scarcer and more expensive manpower by heavy-capital investment machines means extensive standardisation and realisation of the building block system in design and production. At the same time, it is suggested, it means better performance and a higher degree of automation using all possibilities of electronic control.

Illustrating the problems of new developments, the company's sales director, Mr. Eric Snowden, shows the need to take customer response into account. He points out that differences of opinion between customers and crane manufacturers over certain aspects of design are a source of annoyance to both. For example, most electric overhead travelling cranes were once driven by a single motor mounted at mid-span.

Meshing

This motor drove a long shaft right across the bridge, with a number of pedestal support bearings, to a final reduction pinion meshing with a ring gear attached to two long travel wheels. The system requires considerable maintenance, has more wearing parts and so on.

On the other hand, a crane driven by two independent drive motors has greater reliability and less problems associated with the crane and gantry. But, significantly, a crane with two wrongly selected motors, or fitted with remedial stops of motor control, or special couplings to correct wrong starting characteristics, will perform very badly indeed.

The point Mr. Snowden makes is that if, for the first time, a customer buys a crane with two independent motor drives, whereas previously he had only single, centre motor drives, and his new purchase performs badly, he is likely to condemn such a system for his future cranes. Assuming that the gantry is satisfactory, the fault would not be due to using two *motors, but because two of the* wrong motors were being used.

The approach of Clarke Chapman to design is also highly geared to its market, although its requirement is obviously very different. Each heavy crane, bridge or structure is a new design, and each a blend of mechanical, structural and electrical engineering disciplines. To meet this great variety of commitments, the company has a division employing a highly qualified staff of design engineers, supported by a computer service.

Exhaustive

It is proud of its technical advances, particularly in the achievement of more satisfactory relationships between lifting power and all-up crane weight. Where an aspect of design calls for very exhaustive technical investigation, the group's advanced technology division is employed. Its facilities are regarded as particularly valuable in matters involving metallurgical study and experiment. Value engineering is normal practice applied to all aspects of design throughout the division.

Looking at the value of innovation, the example of J. H. Carruthers is a classic. Following the introduction of the Monobox crane for which the company received the Queen's Award for technological innovation, crane sales have quadrupled.

The cranes are widely used *and frequently specified for* shipbuilding and ship repair yards and for the paper making industry, glass manufacture and steel stockyards. They are also playing a prominent part in the North Sea oil programme in the fabrication yards for drilling rigs.

The patent design of the Monobox system is such that it has offered an excellent opportunity to license its manufacture in overseas markets. At present, licences are in operation in the U.S., Japan, in Commonwealth countries and in Europe and Scandinavia.

Looking briefly at its development, in 1962 it had become apparent to the company that some major change of policy should be put into effect. At that time it had evolved the Monobox design and this—which had a number of technical and marketing advantages—was chosen as the instrument for a change of policy. It was decided to eliminate all marine activities and to concentrate the whole of the company's marketing and production to the electric crane market both at home and abroad. Though the step was not easy, it has proved to be successful.

Until Monobox, the evolution of the overhead crane had been by development of the original twin girder concept. Carruthers looked at the *basis* of crane design without any preconceived ideas, even the use of the traditional engineering formulae was prohibited to the design team.

The principle relies on the maximum utilisation of the strength and resistance to torsional deflection of a single all-welded steel box section beam instead of the conventional twin girders. No prescribed method of calculating the torsional loading of such a structure was known at the time, but through mathematical calculation, prototypes and production models were manufactured.

The system has a number of advantages, one of which is a reduction in the distance required between the maximum height of lift and the underside of factory roof trusses. This is the result of cantilevering the traversing trolley and the hoist mechanism over the side of the beam, saving as much as four feet headroom compared with cranes with trolleys mounted on top of the girders. Other advantages are lighter overall weight of the crane and simplicity.

In concept and execution, the development of the system is an example of how important a single technological step can be, and many other companies must wish that they will be as successful in their research.

Lorne Barling

Big market in hiring

THERE ARE something like 2,000 plant hire companies of one kind or another in this country to-day. A significant proportion of them is involved in crane hire, some as a central part of their activities and others at least peripherally. For crane hire is probably the most important sector of the hiring business, while hirers must form one of the most important customer sectors of the crane manufacturers.

To a large extent, the reasons for this are inextricably bound up with those underlying the phenomenal growth of plant hire as a whole in this country from an industry with an annual turnover of only £15m. or thereabouts at the beginning of the 1960s to one recording business to the tune of £450m. or so a year to-day.

Behind this rapid growth rate lie the changes in technology—and machine costs—which have characterised the construction and civil engineering equipment scene for the last couple of decades or so. Before plant hire appeared, builders had to ensure that they were equipped themselves for any work they might undertake. This meant, basically, buying whatever was needed outright—even though, once bought, the amount of time any particular piece of equipment was actually in use might be little indeed.

This was all very well while equipment—and the men to run it—were relatively cheap. But after the war, as contractors' plant grew more and more sophisticated, it also became dearer and dearer. Likewise, this sophistication meant that skills needed by operators were correspondingly greater, pushing up training costs so that it made even less sense to have such men spending large parts of their time doing tasks for which their training was superfluous.

So the specialist hirers came into their own, helping the construction and civil engineering industry to conserve its cash flow, especially when times were bad, and ensuring that it had the plant it wanted only when it wanted it—and in optimum condition—and the men needed to operate it, too, when appropriate.

To-day, these factors still very much apply—and especially so in the case of cranes. For cranes can be among the most technologically complex of construction equipment and, hence, the most expensive. A 200-tonner can set its purchaser back a quarter of a million pounds, with a relatively common 70-ton telescopic costing £100,000 or so.

Utilisation

At these prices, the need for constant utilisation is obvious. Few are the contractors able to achieve it. Rather, the hirers can and do. So it is they who own and operate some of the biggest cranes in use in this country to-day: the biggest is a 500-ton Gottwald owned by G. W. Sparrow, which dominates the heavy crane market. Certain types of North Sea work would be impossible without this crane and others responsible for changes in construction methods. For the existence of a crane able to lift large units on site has allowed for a significant extension of the potential of factory prefabrication in North Sea activity. Many operations would certainly be prohibitively expensive without the facilities afforded by hirers. It is not only at the heavy end of the industry that the hirers play a valuable role, of course: their market penetration is high throughout most of the spectrum and in one sector, heavy lorry-mounted cranes, is estimated at 100 per cent.

To-day indeed, with so much of industry in recession and building and civil engineering especially hard hit by the cutbacks in public sector spending and the downturn in investment by the private sector, it is the cranes side which is providing the good news within plant hire.

Only in a few areas—the North-East and Scotland, in particular—are hirers still doing the bumper business to which they have become accustomed. But crane hire, thanks especially to its North Sea involvement, is still apparently flourishing.

Thus, Richards and Wallington Industries, the biggest of all the specialist hire groups, with some 1,000 cranes accounting for perhaps a third of British hirers' total investment in cranes, has just reported record 1974 profits of £2.94m. before tax, £586,000 more than in 1973, with the current year seeing a good start, according to Mr. Roy Richards, the R and W chairman. "Barring unforeseen circumstances, another increase in profits can be expected in 1975," he wrote in his annual report.

From G. W. Sparrow, number two of the crane specialists, came news of 1974 profits to the tune of £834,000, against £629,000 a year before, and a statement by Mr. A. W. Sparrow, the chairman, that "in terms of orders we commenced 1975 in an even stronger position than that facing us at the beginning of 1974. . . . Barring unforeseen circumstances we look forward to another year of profitable growth for the group."

Third in the league table—and very fast growing indeed—is Hewden-Stuart Plant. Its profits in the year to February 2, 1975, amounted to £2.63m. compared with £2.25m. in the previous 12 months. The group, although now gaining a near *national position (no plant hire* concern can yet be said to be truly national in its operations) is particularly strong in Scotland, a fact whose significance in the present economic situation is suitably underlined in the annual report just published.

Benefit

"The importance of the development of North Sea oil cannot be over-emphasised," the company told its shareholders. "It would appear (for the first time) that industry in Scotland and the North-East should not collapse in the face of a recession elsewhere, and this should benefit your group. Past experience would also indicate that credit controls and cutbacks in the construction industry emphasise the demand for plant hire."

This all said, it would be wrong to imply that everything in crane hire's garden is lovely. There are problems around, even if they are not, by and large, as acute as those in other sectors of plant hire or, indeed, in the rest of industry generally.

"The high cost of borrowed money, the shortage of liquidity and a fall-back in the work load of the industry" are all factors singled out by Hewden-Stuart's annual report, and they are all things having a greater or lesser impact on hirers generally. On top of this is the hefty increase in costs being faced by the industry. The scale of this was spotlighted by the Contractors Plant Association's latest Operating Cost Study, published last month.

This showed that, at the top of the scale, the operating cost for a Pennine C34B 30/35-ton *crawler crane, for example, had* risen by 41 per cent. in the 12 months from April, 1974, even leaving aside increases in the pay commanded by skilled operators.

What is clear is that the companies currently doing best are those with heavy involvement in the North Sea, and/or those that have diversified their activities into exports, plant sales, crane manufacture or whatever (that, by and large, these are the same companies is not, of course, coincidence).

Certainly crane hire is the one sector of plant hire to have made any really significant impact in continental Europe where, despite the efforts of the Contractors Plant Association (with seminars in Belgium, France, West Germany and the Netherlands) and individual companies, the hire concept has otherwise made little headway. But it is not only to the Continent that the hire companies have been looking: Richards and Wallington (which is moving into the crane assembly business via its newly formed Crown Cranes subsidiary, in which Clark Equipment of the U.S. will, it is planned, hold an equity stake) has launched an initially very successful Far East construction and mining equipment sales enterprise.

Overall, the plant hire industry to-day is looking for an end to the current recession in the knowledge that those companies that survive the downturn can expect a big increase in business from building and civil engineering contractors so badly hit by cash flow crises that they will be forced to hire all the more. The crane hire sector can see the same sort of prospect ahead—but with the vital difference that, in many cases at least, it is also still flourishing now.

David Walker

Training and safety

THE DANGERS involved in operating cranes and the need for stringent safety standards and well-trained workers have long been acknowledged within the industry. But the new Health and Safety at Work Act, which came into force in April, is causing employers to look again at their policies.

Indeed, under the legislation, companies are required to draw up a written safety policy and the onus is placed firmly upon them to ensure that their workforce is adequately trained. An important new sanction made available to the Factory Inspectorate to deal with companies in breach of safety standards is the power to serve a prohibition notice and stop work on the job until the situation has been remedied.

The psychological impact of the new legislation is important as it will take the Health and Safety Commission time to build up its staff. The situation cannot be expected to change overnight in an area like safety and training where policies are worked out by consultation and agreement.

Underlined

The importance of the issue to the crane industry is underlined by the accident statistics presented in the latest annual report by the Chief Inspector of Factories. In the construction industry, a sector noted for its bad accident record, some 600 incidents involving cranes and other appliances were reported in 1973. Statistics on reported accidents are recognised to be a considerable understatement of the problem, as many incidents pass unrecorded.

The number of fatal accidents in the construction industry rose from 16 in 1972 to 22 in 1973. The Chief Inspector notes that half of the deaths in 1973 occurred during the operation of plant. "These accidents were due to a variety of causes including three cases of falls of crane jibs, two where men were crushed by the movement of a lifting machine and one where the mast of a tower crane snapped. Another four accidents occurred during the erection of jib or tower cranes. Tubular or similar loads slipping out of slings accounted for three deaths."

But while construction may be a high risk area, a disturbing number of deaths have also been caused during the use of cranes in factory processes. In the six years to 1973 some 47 men died from accidents associated with jib cranes and 81 from overhead travelling cranes.

The majority of the deaths associated with overhead travelling cranes in the last year were caused by the load being carried, but some involved a person being struck or crushed by the crane carriage, while one man fell from the bridge.

"The need to provide a safe system of work for persons working on or near the track of an overhead travelling crane is well known and is the subject of a legal requirement," the Inspector says. "Nevertheless, failure to take proper precautions in spite of all the advice that has been given over the years led to five deaths in 1973. Reasonably practicable precautions were also available in 10 of the 11 cases where injury was caused by the load and comprised failure to remedy defects in the crane (two cases) and failure to provide or conform to safe system of work (eight cases).

The increasing use of large-capacity mobile cranes is a point picked up by the Inspector, who reports a "disturbing disregard" for the proper use of outriggers on large cranes. The stability of such cranes depends on the capacity of the ground bearing the outriggers to take the full load imposed upon it without subsiding.

In one spectacular incident a large truck-tower crane, fitted with a 30.5-metre mast and 27.5-metre jib, overturned and demolished a site canteen and three houses — miraculously without injuring anyone.

In another incident a strut-jib crane was set up on the tarmac surface of a car park and one of its outriggers sank, causing the crane to overturn. In both these accidents the outrigger pad was in direct contact with the surface without any packing to spread the load.

The Inspector stresses that the increase in the size of such cranes has made imperative the need for training, not only of drivers but of everyone—including management—concerned with their erection, the assessment of ground bearing strength and the requirements for proper support.

It is sometimes claimed that training for the assessment of ground bearing strength is ruled out because soil mechanics is a complex subject and that crane erectors cannot be expected to do laboratory tests each time a crane operates on a new site.

Loadings

But the Inspector declares: "Crane drivers can, and indeed must, be trained to appreciate maximum outrigger loadings and to ensure that ground conditions are suitable if cranes are to operate safely. In this connection tables in catalogues and instruction manuals which show safe working loads for various jib radii and assemblies should always show the maximum outrigger loads as an inseparable part of crane duty charts."

While the Inspector concedes that it is understandable owners should want to get as much work as possible out of their cranes, he says the reliability of such machines must invariably take priority over all other considerations—"just as it should, and does, in the case of aircraft. In both lives are at stake."

Proper maintenance and inspection schedules should be maintained, and the timetable for these planned in advance. There is a temptation to sacrifice such operations for the sake of increased utilisation as mobile cranes can be moved quickly to other work. "To succumb to this temptation may be illegal and is always dangerous," the Inspector warns.

Indeed the Factories Inspectorate offers guidance to crane operators pointing out that the statutory weekly inspection may require several hours, and the 14 monthly thorough examination considerably longer.

Fractured hoist ropes are more frequently due to excessive wear than to overloading, and ropes require a high standard of dressing. Although external corrosion may provide a warning that all is not well, the condition of interior wires can only be surmised and the Inspector suggests that the solution may lie in periodic and regular replacement regardless of the apparent condition.

Crane manufacturers themselves are constantly striving to advance technology so that safety standards can be raised and accident prevention devices installed. But whatever precautions are taken, the possibility of error or negligence by the driver is always present. Adequate training in the use of equipment is the obvious way to reduce the possibility of accidents and many of the principal manufacturers operate their own training schemes for drivers.

The Bircham Newton Training Centre, operated by the Construction Industry Training Board, is playing an important role, and since its opening in 1966 more than 2,000 trainees have attended courses dealing with various types of crane. The courses, usually of two weeks' duration, are not confined solely to members of the construction industry.

The Centre says that safety is not taught in isolation. "All courses emphasise that the correct way is the safe way. Dual lifting, jib extending, the inspection care and maintenance of wire ropes and slings are also incorporated in the crane courses."

In addition to scheduled courses special training facilities can be offered to meet the specific needs of particular companies. The Centre reports that demand for courses is increasing and attributes much of this to the influence of the Health and Safety legislation. Measures which can be taken to improve training techniques and reduce accidents have become a discussion point for management.

Arthur Smith

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Early strong rise on factory orders

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 2.

THE ADVANCE made further strong headway on Wall Street to-day, furthered bolstered in part by a sharp rise in U.S. Factory Orders in April.

By 1 p.m. the Dow Jones Industrial Average was up an additional 13.38 to 845.67, making a rise of 30.67 over the past two sessions. The NYSE All Common Index gained a further 70 cents to $49.16, while more than three times as many issues advanced as declined. Trading volume sharply expanded by 3.81m. shares to 16.7m., compared with 1 p.m. last Friday.

The Commerce Department said Factory Orders for the month of April rose 6.4 per cent., the largest monthly increase in more than 20 years.

Oils were among the best performers amid predictions of higher petrol prices. Federal Energy Administrator, Frank

Closing prices and market reports were not available for this edition.

Zarb, said over the week-end the Administration plans to push up petrol prices close to 70 cents a gallon to force down consumption. Average price is now about 55 cents.

Getty rose $6 to $151. Continental Oil $2¼ to $67¼, Exxon $1 to $88¾, Standard of Indiana $1 to $46¼, and Atlantic Richfield $1 to $98.

Gulf and Western picked up $1½ to $35¾—it reported higher quarterly earnings.

Teledyne improved $1¾ to $18¾—it said that about 376m. Common shares were tendered in response to its offer to purchase at $18 each.

IBM were up $2¼ to $217¼. Burroughs gained $1¼ to $103¼, Texas Instruments advanced $2¼ to $108¼, Sears, Roebuck strengthened $1¼ to $68, and Du Pont were $1¼ higher at $124¼.

Hospital Affiliates added $1¼ at $17¼, following a prediction for improved earnings.

MCA were lifted $3¼ to $63¼—the company could not account for the stock's strength.

Prices on the American SE also advanced in active trading. The Market Value Index rose another 0.57 to 89.25, while the volume expanded 220,000 shares to 2.18m. compared with 1 p.m. last Friday.

The Pep Boys gained $1¼ to $20½ on bullish comment with regard to the outlook for earnings.

Papers eased 0.51 to 110.78.

Dome Mines fell $3¼ to $49½ and Abitibi Paper Preferred "A" lost $2¼ to $39¾.

Falconbridge Nickel put on $1 to $36, Alcan Aluminium added $¼ at $23¾ and International Nickel "A" rose $¾ to $29.

Aquitaine of Canada advanced $¾ to $21¼ and Home Oil "A" gained $1 to $27½.

Canada again mixed

Canadian Stock Markets remained mixed in light trading yesterday morning.

The Industrial Share Index put on 0.09 to 187.31. Western Oils gained 2.17 to 179.73. Utilities hardened 0.53 to 131.79 and Banks stiffened 0.39 to 260.75. But Golds dropped 16.5 to 394.72. Base Metals shed 0.08 to 74.28 and

OTHER MARKETS

PARIS—Higher in quiet trading, with funds diverted into equities by Institutional investors because of the fall in gold.

Foods, Motors, Oils and Electricals were all strong, while Constructions, Rubbers and Banks were generally well maintained.

In the Foreign sector U.S. issues were strong, Germans higher, while Dutch stocks and Oils were steady. Only Golds were lower, in line with bullion prices.

AMSTERDAM — Market continued Friday's firmer trend, in quiet dealings.

Dutch Internationals were firmer, led by Akzo, up Fs.0.9 at Fs.41.2.

Plantations were mixed, while Banks, Insurances, shipping and Investment Funds all firmed. Algemene Bank moved up Fs.6.5 to 325.5. Van Ommeren rose Fs.3 to 267, Pakhoed put on Fs.5.6 to 156. Ahold gained Fs.3.5 to 105.

State Loans were higher.

BRUSSELS—Shares rose fairly sharply in more active trading, following Wall Street's strong rally on Friday.

All Local sectors gained ground, led by FN, up Frs.18 to 2,040, Bruxelles Lambert, up Frs.35 to 2,085, Cockerill, up Frs.30 to 1,148, and GB-Inno-BM, up Frs.80 to 2,200. But Solvay declined Frs.40 to 2,810 against the general trend.

Foreign stocks also rose, apart from barely changed French issues and lower Golds.

SWITZERLAND—Markets continued to gain ground over a fairly broad front, on investor expectations of a gradual improvement of the economic climate and also the dollar's improvement.

Gains predominated in Banks, Financials and Insurances, although National Bank, Juvena Bearer and Rueckversicherung Bearer each declined.

Among Industrial leaders, BBC Bearer and Participation Certificates each firmed. Chemicals and Foods also firmed.

Jelmoli moved higher in stores, while Swissair eased.

State Bonds were quietly steady.

In the Foreign sector, Dollar stocks firmed in active trading led by Blue Chips and "Glamour" stocks. Among otherwise very steady Dutch Internationals, Rolinco and Robeco each rose markedly, while Germans hardened slightly.

GERMANY—Shares continued to recover on buying interest by Foreign investors and Domestic Institutions, with prices rising on average up to DM5.

Among Motors, BMW put on DM4.5 to DM220.5 while, in Banks, Deutsche rose DM4.60 to DM322.1. In Chemicals, BASF at DM140.3, and Hoechst at DM130.3, each gained DM2.3.

Siemens, up DM3.3 at DM251.8, led Electricals higher. Mannesmann rose DM4 to DM258.

Daimler dropped DM2 to DM291 against the general trend, and MAN lost DM1 to DM155.

Public Bonds generally put on up to DM0.30, and the Authorities sold a nominal DM3m. worth of Bonds back to the market. Mark Foreign Loans were steady.

MILAN — Closed yesterday — Republic Day.

OSLO—Slightly irregular.

VIENNA—Barely steady in listless trading.

COPENHAGEN—Mixed in very active dealings.

JOHANNESBURG—Gold shares were off the bottom in a small turnover. Net losses were in the region of 5 to 20 cents in "Marginals" and "Speculatives."

Initially shares declined reflecting the U.S. decision to auction some 500,000 ounces of gold. But the Finance Minister, Owen Horwood's statement on stabilising the Gold Market later steadied the market and selective shares moved off the worst on local support.

HONG KONG—Slightly higher in dull trading.

Hong Kong Bank were up 10 cents to $HK15.10, Hong Kong *Land 10 cents to $HK6.85*, Hutchison 12½ cents to $HK2.30, Wheelock "A" 7½ cents to $HK3.60, Jardine 30 cents to $HK24.70 and Hong Kong and Kowloon Wharf 30 cents to $HK24.70.

TOKYO—Slightly easier after an initial advance. Volume 130m. shares.

The early rise reflected Wall Street's advance last Friday, with the subsequent downward trend caused by Stock Exchange action in raising margin requirements on *Olympus Optical shares to 70 per cent.* Olympus fell Y10.

Constructions, Motors, Machineries and some "Heavily-Capitalised" shares eased.

Non-Ferrous Metals dropped on news that the International Trade Ministry will extend its ban on refined copper exports.

Electricals and Collieries edged slightly higher.

AUSTRALIA — Markets ended mixed in hesitant trading, with sustained profit taking and selling *pressure bringing most leading* stocks off their highs.

Base Metals and Golds were lower on easier London Metal Exchange prices and also news that the U.S. will auction a further 500,000 ozs of gold.

Kalgoorlie Southern fell 40 cents to $A1.60, GMK lost 16 cents to $A1.62, Emporer 14 cents to $A1.46 and Central Norseman 9 cents to $A2.43.

Indices

NEW YORK

DOW JONES AVERAGES

	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
May 30	67.[illegible]	167.[illegible]	832.29	79.32	22,670
29	67.81	165.7[illegible]	815.00	72.64	15,670
28	67.55	1[illegible]	817.04	77.45	21,850
27	[illegible]	[illegible]	836.11	77.46	17,0[illegible]
23	[illegible]	[illegible]	831.90	77.17	17,3[illegible]
22	67.90	[illegible]	818.31	77.25	17,610
21	[illegible]	[illegible]	816.6[illegible]	77.17	12,640
20	[illegible]	[illegible]	8[illegible]	72.0[illegible]	18,310
19	[illegible]	16[illegible]	837.69	72.16	17,870
16	67.35	16[illegible]	837.61	72.15	16,550
15	[illegible]	170.59	845.20	76.56	27,6[illegible]
14	67.61	175.47	838.7[illegible]	73.20	23,0[illegible]
13	67.65	[illegible]	850.13	72.64	24,4[illegible]
12	67.81	[illegible]	847.47	78.[illegible]	22,3[illegible]
9	67.64	1[illegible]	850.13	77.90	22,440
8	67.69	1[illegible]	840.50	76.57	22,980
1975 High	69.32	174.12	858.75	81.96	—
	[illegible]	[illegible]	(14/5)	(21/1)	—
Low	66.16	146.47	632.04	72.[illegible]	—
	[illegible]	[illegible]	[illegible]	[illegible]	
All-time High	—	279.88	1051.70	163.32	—
		[illegible]	[illegible]	[illegible]	
Low	—	13.23	41.22	10.56	—
		[illegible]	[illegible]	[illegible]	

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 27	May 20	May 24, 1974
4.65	4.61	4.49

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	M'y30	M'y29	M'y28	M'y27	M'y23
48.85	37.06	48.46	47.67	47.66	47.97	48.05
(14/5)	(2/1)					

RISES AND FALLS

Issues traded	Up	Down	Unchanged
2,729	1,511	961	257

	M'y30	M'y29	M'y28	M'y27	M'y23
New Highs	143	79	124	126	94
Lows	7	6	8	4	8

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	M'y30	M'y29	M'y28	M'y27	M'y23
88.16	62.20	88.68	87.55	87.49	88.16	87.75
(27/5)	(2/1)					
Volume 1,000's		5,678	2,500	2,710	2,060	2,000

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 30	102.63	91.15
29	100.96	89.88
28	101.00	89.71
27	101.52	90.34
23	102.12	90.58
22	100.72	89.39
21	100.36	88.98
1975 High	104.04	92.27
	(14/5)	(14/5)
1975 Low	77.71	70.74
	(8/1)	(8/1)

* 425 Industrials. † 325 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	May 29 1975	May 22 1975	May 29 1974
Ind. Ord. yield p.c.	3.75	3.76	4.25
Ind. Ord. p/e ratio	10.43	10.30	11.07
Long-term Govt. Bds. per cent.	5.88	5.99	6.03

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Occidental Petrolm.	757,500	19[illegible]	+[illegible]
Teleprompter	374,100	3[illegible]	+1
Gulf Oil	280,100	20[illegible]	+[illegible]
Occidental Pet. Wts.	279,500	10[illegible]	+1[illegible]
Texaco	228,500	25[illegible]	+[illegible]
Fed. Nat. Mort.	226,200	18[illegible]	+[illegible]
Amer. Tel. Tel.	164,300	49[illegible]	+[illegible]
Plan Research	163,200	4[illegible]	+[illegible]
Coastal States Gas	16[illegible],100	9[illegible]	[illegible]
Westinghouse Elec.	163,100	17[illegible]	+1

TORONTO

INDUSTRIAL INDEX

May 30	May 29	1975 High	1975 Low
186.22	185.26	189.08 (14/5)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 30	May 29	1975 High	1975 Low
194.77	193.23	197.95 (14/5)	159.95 (2/1)

COMBINED INDEX

May 30	May 29	1975 High	1975 Low
188.94	187.90	191.02 (14/5)	153.02 (2/1)

JOHANNESBURG

	May 30	May 30	1974-75 High	1974-75 Low
Industrials	204.3	206.4	210.3 (17/2)	183.0 (23/1)
Golds	305.4	314.0	379.1 (2/1)	255.2 (15/4)

1955=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 30	May 23	May 16
On Dividends	7.13	7.68	7.65
On Earnings	13.67	14.44	14.50

SYDNEY ALL ORD. INDEX

June 2	May 30	High 1975	Low 1975
375.73	375.32	375.85	289.38 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 2	May 31	High 1975	Low 1975
321.82	323.67	332.96 (22/5)	263.24 (10/1)

HONG KONG INDEX ●

June 2	May 30	High 1975	Low 1975
323.41	320.94	336.25 (21/5)	160.48 (9/1)

SINGAPORE INDEX §

June 2	May 30	High 1975	Low 1975
236.48	240.11	268.69 (11/5)	163.26 (6/1)

EUROPE

	June 2	Previous	1975 High	1975 Low
Belg'm (a)	110.06	109.57	111.61 (15/5)	89.01 (2/1)
Denm'k (b)	90.06	90.10	90.56 (22/5)	73.06 (15/1)
France (d)	67.1	66.8	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	664.0	663.3	726.1 (15/4)	575.5 (2/1)
Holland (f)	101.1	99.1	107.6 (6/5)	85.8 (2/1)
Italy (g)	(c)	98.39	102.2 (21/2)	85.9 (8/1)
Spain (h)	—	103.28	110.3 (22/4)	96.98 (10/1)
Sweden (k)	364.64	364.35	376.65 (15/5)	310.5 (8/1)
Switz'rl'd (m)	271.2	263.9	295.1 (6/5)	206 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1.58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Gold weakens

Gold fell appreciably in London yesterday, by $5½ an ounce to $162-163, in active conditions, with the announcement that the U.S. authorities are to auction some further 0.5m. ounces of gold on June 30 an unsettling factor. The announcement raised discussion on the question of U.S. philosophy on the gold and foreign exchange fronts, and also on the question of South African policy on gold sales. The spot price was marked down to an opening level of $162½-164, and touched $161½-163½ in early dealings, but between the fixings ranged up to $163¾-165, though later in the same period touching $161½-162½.

Sterling made a slight gain in terms of major units in general in the foreign exchange market with its trade-weighted average depreciation against 10 leading units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) narrowing on balance to 24.6 per cent., from Friday evening's 24.7 per cent., and standing at 24.8 per cent. in early dealings, and at 24.7 per cent. at noon.

Business was moderate, with the weakness in gold having no heavily marked effect on foreign exchange dealings. In terms of the U.S. dollar, sterling gained 30 points on the day, to $2.3190-2.3200, against the background of uncertainty over Thursday's Common Market Referendum. The pound opened at $2.3145-2.3155, and touched $2.3155-2.3165, but at one stage in the afternoon reached $2.3195-2.3205. The dollar's trade-weighted average depreciation against 14 currencies since the Washington Agreement widened to 7.09 per cent., from 6.93 per cent., while sterling's depreciation on a similar basis widened a shade, to 29.88 per cent., from 29.84 per cent. French francs again moved erratically, though showing little net change against the U.S., ending in London at Frs.4.0340, against Frs.4.0350 (ranging over the day from Frs.4.0255 to Frs.4.0487½).

The Krugerrand ended in places at a premium of 20¾ per cent. over its gold content in domestic business, against 19¾ per cent. on Friday, and at 2¾ per cent. in international, against 2¾ per cent.

EXCHANGE CROSS-RATES

June 2	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.3435-50	58.0-30	6.50.52	5.42.44	97.50.65	93.65.70
N. York *	42.70-75	—	24.79-53	2.557-362	2.3195-3205	41.63-71	40.02-04
Paris	171.75-2.25	4.352.042	—	11.557-662	9.3415.650	157.95.5.35	161.175.575
Brussels	14.39-95	34.97.36.02	8.64.68	—	20.95.21.12	14.52.56	13.94.14.0
London	5.42¼.43¼	2.319.320	9.35¼-36¼	81.15-35	—	5.56¼.57¼	6.20.61
Am'erdam.	102.425-475	2.4022-47	59.49.53	6.8665-2715	6.5605.55	—	35.905.925
Zurich	106.71-90	2.502.504	62.01-62.09	7.1476.1600	5.90.8075	1.4.37-42	—

U.S.$ in Montreal. U.S.$=102.32-34 Canadian cents

Canadian $ in New York. $C1=97.65-68 U.S. cents. U.S. $ in Milan 626.32

Sterling in Milan 1444.50. * Rates for May 30.

EURO-CURRENCY INTEREST RATES*

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	June 2 1975	May 30 1975
Gold bullion, (a fine ounce)		
Close	$162-163	$167½-168¼
Opening	$162½-164	$167-168
Morning fix'g	$163.25 (£70.509)	$167.75 (£72.537)
Afternoon fix'g	$161.75 (£69.777)	$167.00 (£72.154)
Gold coins domestically		
Krugerrand	$195-197 (£84-85)	$200-202 (£86¼-87¼)
New sov'r'gns	$58-60 (£25-26)	$61-63½ (£26½-27½)
Old sov'r'gns	$56½-58½ (£24½-25½)	$60¾-63 (£26¼-27¼)
Gold coins internat'n'ally		
Krugerrand	$166½-168½ (£71¾-72¾)	$171½-173¼ (£74-75)
New sov'r'gns	$50-51 (£21½-22)	$51-52 (£22-22½)
Old sov'r'gns	$49½-51½ (£21¼-21¾)	$50½-51½ (£21¾-22¼)
$20 Eagles	$240-246	$240-245
$10 Eagles	$117-122	$120-125
$5 Eagles	$85-90	$86-93

FOREIGN EXCHANGES

June 2 1975	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	6	2.3135-2.3205	2.3190-2.3200
Montreal	8¼	2.3675-2.3785	2.3750-2.3760
Amsterdam	6	5.55¼-5.58¼	5.56½-5.57½
‡Brussels	6½	80.85-81.55	81.15-81.55
Copenh'gen	8	12.61-12.67	12.65¼-12.66¼
Frankfurt	4½	5.41½-5.44½	5.42¼-5.43¼
Lisbon	6½	58.10-56.60	58.40-56.60
Madrid	†7	128.30-129.60	129.40-129.65
Milan	7	1,444-1,449	1,445½-1,447
Oslo	5½	11.41-11.44	11.42½-11.45¼
Paris	10	9.33-9.37	9.35½-9.36½
Stockholm	7	9.09-9.12	9.11-9.12
Tokyo	6½	670-680	675-677
Vienna	6	38.25-38.65	38.45-38.65
Zurich	4½	5.78-5.81	5.80-5.81

* Basic discount. ‡ Rates given are for convertible francs; closing financial franc 83.30-83.70.

OTHER MARKETS

Argentina ◆ 23.06-23.26 Argentina 29.80

Australia 1.7166-1.7326 Austria 37¼-39

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—109% (110%)

NEW YORK

CANADA

GERMANY ◆

AMSTERDAM

AUSTRALIA

VIENNA

JOHANNESBURG

TOKYO ¶

PARIS

BRUSSELS

SPAIN ♥

STOCKHOLM

OSLO ◆

MILAN

SWITZERLAND ●

COPENHAGEN

STOCK EXCHANGE REPORT

Broad advance in equities—Index up 13 points at new peak for the year of 358.1—Setback in Golds

Account Dealing Dates

First Dealings	Declarations	Last Dealings	Account Day
May 5	May 15	May 16	May 28
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24

" New time " dealings may take place from 9.30 a.m. two business days earlier.

Equity markets staged a broad advance at the start of the new account yesterday, sentiment being boosted by the latest opinion polls showing a convincing "yes" vote to keep Britain in the EEC. Leading industrials moved ahead quite strongly and the FT 30-share index closed 13 points up at a new peak for the year of 358.1, its highest since December 3, 1973. Much of the day's business was speculative, stock was in short supply and, with jobber attempting to keep level book, prices were quick to respond to demand.

Second-line equities also showed useful rises, but the amount of business transacted remained small; official markings of 6,295 compared with 6,340 last Friday. Most sectors took part in the advance, the FT-Actuaries three main indices all closing with gains of between 2.6 per cent. and 3 per cent.

In marked contrast, Gold mining shares sustained a fairly sharp setback in sympathy with the fall of $5.50 to $162.50 an ounce in bullion following news that the U.S. Treasury is to put a further half a million ounces of gold up for auction on June 30. The Gold mines index at 410.0, reflected 19 points for its biggest one-day fall for six weeks.

Funds move higher

More gloomy economic indicators failed to make any impression on Gilt-edged and subsequent demand created by referendum optimism brought a gradual improvement which left quotations with gains to ½. The shorts attracted much of the modest business and Transport 4 per cent., 1972-77, which may have been overlooked recently, rose to 88¾ for a special gain of a point. Mediums and longs appeared fractionally easier at the opening but mostly ended ¼ higher on balance.

Southern Rhodesian bonds were lowered, generally by two points, following the week-end riots in Rhodesia; the 4½ per cent., 1987-1992, lost that much to £27.

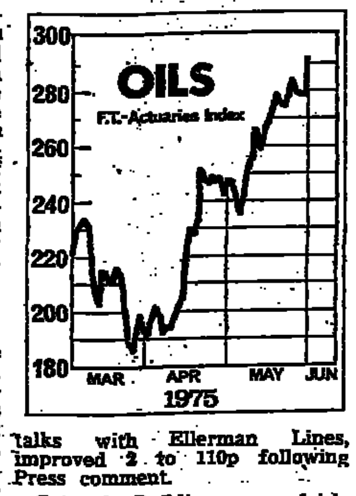
The bulk of a continuing small trade in investment currency again represented business released by American activity in South African Gold shares and the premium ranged between 110¼ and 108½ per cent. before closing a point lower on balance at 109 per cent. Among American stocks, Amax rose 1¼ to £37½ ahead of the Standard Oil of California deal, a development which reportedly caused a temporary suspension of trading in the stock on Wall Street early yesterday. The SE conversion factor yesterday was 0.5385 (0.5369).

Banks good

The big four Banks opened the new Account in fine style on fairly persistent buying in a market short of stock. Closing levels were at, or near, the day's best with Barclays, 307p, Midland, 272p, and National Westminster, 247p, all rising 14, while Lloyds were 12 better at 245p. Bank of Scotland put on 13 to 273p. In overseas issues, Commercial Bank of Australia, in "ex-rights" form, closed 28 higher at 285p, while the "new" nil-paid shares closed at 110p premium. Discounts firmed throughout and rises of 10 were recorded in Alexanders, 215p, Allen Harvey and Ross, 310p, and Gerrard and National, 295p. Hambros firmed 5 more to 160p in Merchant Banks as did Slater Walker, to 82p, while Leopold Joseph rose 15 to 180p. Favourable Press comment helped Lloyds and Scottish gain 6 to 71p in Hire Purchases.

Buyers held the stage in Insurances and helped push prices sharply higher. Commercial Union put on 13 to 183p while General Accident, 166p, and "Royals," 328p, both rose 12.

Leading breweries to make headway included Allied 69½p, and Bass, 100xd, up 2½ apiece. J. W. Cameron, currently in bid talks with Ellerman Lines, improved 2 to 110p following Press comment.



Gains in Buildings were fairly modest. London Brick were good at 50p, up 4, while similar advances were scored by A. P. Cement, 155p, Taylor Woodrow, 302p, and G. Wimpey, 129p. Northern Developments were temporarily suspended at 10p following news that joint receivers had been appointed by the banks supporting the company.

ICI were a firm market, ending 9 up at a peak for the year of 290p. Other good spots in Chemicals included Fisons, 17 higher at 399p, Carless Capel, 8 up at 60p, and Laporte, 4 to the good at 96p, the last-named following Press comment. Midland-Yorkshire jumped 50p to 475p on news of Croda's successful bid; the latter eased 2 to 68p.

Commercial Television issues picked up on the technicians' return to work; Anglia "A" gained 3 to 63p, while Grampian "A," which lost 2 last Friday on the loss and dividend omission, recouped 1 at 13p.

Stores rise

Leading Stores were in demand and double-figure gains were seen in Marks and Spencer, up 11 at 242p, and "Gussies" "A," 10 higher at 198p. Martin The Newsagent reflected satisfaction with the interim results at 143p, up 4. Press comment helped Readicut improve a penny to 19p xd. Hardy (Furnishers) were wanted at 38½p xd, up 3, while Wades "A" improved 2 to 24p. Lee Cooper, however, lost 5 to 80p, and Waring and Gillow declined 4 to 69p.

Down 6 last Friday following a "sell" recommendation, EMI rallied strongly to finish 8 better at 192p. GEC improved 6 to 126p and favourable week-end Press comment drew attention to Thorn issues, the Ordinary and "A" both closing 12 dearer at the common level of 152p. Elsewhere, BSR, 77p, and BICC, 122p, both gained 5.

Leading Engineerings were outstanding, overshadowing the rest of the sector where gains were generally small. Tube Investments spurted 14 to 298p, GKN rose 10 to 256p and Hawker 8 to 286p, Vickers, too, put on 8, at 137p, while John Brown improved late to end 4 higher at 118p. Also 4 dearer were Babcock and Wilcox, 114p, Sheffield Twist, 72½p, and Johnson and Firth Brown, 45½p. The chairman's enthusiasm at yesterday's annual meeting took East Sussex up 1½ to 17p, Turriff gained 5 to 78p on the preliminary figures and Capper-Neill advanced 3½ to 49p xd on Press comment. Greenbank Industrial were quoted ex scrip issue at 39p, up 4, but Laird eased 1 to 48p following the chairman's reference about current trading.

Foods made good headway, with Tate and Lyle spearheading the way with a rise of 11. Cavenham rose 5 to 142p, while Cadbury Schweppes advanced 3 to 47½p. Robertson Foods, a firm market last week on the results, improved 4 more to 87pxd in response to Press comment. United Biscuits were quoted ex "rights" at 101p, with the new nil-paid shares at 25p premium. Also firm were Associated Biscuit at 68p, up 5. Unigate rose 4 to 53p.

Hotels and Caterers had J. Lyons "A" rising 12 to 164p and Grand Metropolitan improving 4½ to 65½p. Press comment helped Trust Houses Forte gain 3 to 110p. Prince of Wales were 4 higher at 49p, but Savoy "A" were dull at 18½p, down 2½. Ladbroke rose 8 to 172p.

Brook St. dip & rally

After a fairly slow and uncertain start, the Miscellaneous Industrial leaders forged ahead on persistent speculative buying. Demand continued "after-hours" and prices closed at, or near, the day's best. Glaxo led the advance, rising 18 to 428p, Unilever gained 14 to 394p, Beecham added 11½ to 308p xd, while Boots put on 9 to 260p and Bowater 7 to 170p. Reckitt and Colman ended 12 better at 332p. Second-liners also joined in the upturn. Improvements of around 6 were recorded in Hestair, 81p, and R. and J. Pullman, 58p. Hanson Trust closed 4½ dearer at 158p, after 160p, following the interim results, while buying ahead of today's preliminary figures left De La Rue a similar amount up at 167p. The chairman's profits forecast left Steel Bros. 4½ up at 240p xd, and favourable Press comment brought about a similar rise in Lighting and Leisure to 37p. After dipping to 30p immediately after the results, Brook Street Bureau rallied strongly to finish 3 better on the day at 37p. With the recent uncertainty of 4m. shares overhanging the market now cleared, Pentland Industries put on 2 more to a 1975 "peak" of 9½p. After a Press "tip," Emray hardened 2½ to 5½p. Down to 282p on some disappointment with the results, Metal Box rallied to close unaltered on the day at 290p. Morgan Crucible, however, showed a reaction of 4½ to 93½p on the lower first quarter profits.

Motors were generally buoyant, apart from Lucas Industries which closed unaltered at 114p. Dunlop gained 4 to 53p, while Rolls-Royce Motors added 3 at 64p. Associated Engineering were quoted ex "rights" at 55p, up ½, while the new nil-paid opened at 11½p premium, eased to 9½p then strengthened to close at the day's best of 12½p permium. Garages had BSG International 1½ higher at 10½p in response to Press comment, while the partly-Convertible put on 6 points to £49.

The focal point of attention in Newspapers was Thomson which, on revived North Sea enthusiasm, rose 10 to a peak for the year of 204p. Paper/Printings were generally neglected.

The recent pressure on selected Properties lifted and both Land Securities, 192p, and MEPC, 154p, regained 4, the latter ahead of tomorrow's interim results. Meanwhile, English and Amalgamated Investment furthered Friday's upturn, each closing with gains of about 3 at 90p and 50½p respectively. Percy Bilton were popular on the good results and rose 10 to 133p, while Press mention helped British Land gain 3 to 25½p. Haslemere Estates, following a denial of a recent approach to MEPC, moved up 7 to 220p. Town and Commercial, however, were dull at 20½p, down 2, and United Real were lowered 15 to 225p.

New 1975 peak for BP

Stock shortage helped a sharp advance in British Petroleum which, in the absence of U.S. selling, jumped 28 to a 1975 peak of 518p. Shell were also good, up 11 at 329p, but trading conditions here were more comfortable along with Ultramar, which rose 10 to 198p. North Sea speculation was apparent in Tricentrol, 7 higher at 71p, while Premier Consolidated were a shade harder at 20p after news of the "rights" issue.

Investment Trust capital shares came in for a fair amount of support and gains of 8 were seen in Dualvest, 145p, and M & G Dual, 118p, while Triplevest added 9 to 122p. Further consideration of the interim figures helped Charterhouse Group rally 4 to 47p. Inchcape, on the other hand, ran back 12 more to 398p.

Shippings edged higher in little business. With interim results expected to-morrow, P & O Deferred hardened 3 to 114p, after 115p.

Textiles made a mixed showing. Courtaulds firmed 4 to 134p xd, while Coats Patons became a better market after last week's setback on the final dividend omission and regained 3½ to 50p.

Bats were outstanding in Tobaccos with a rise of 17 to 335p.

Up 40 last Friday following the good results, Consolidated Tea and Lands added 10 more to a 1975 "high" of 165p in otherwise lethargic Teas. In Rubbers, Guthrie lacked support and shed 4 to 256p.

Golds in retreat

News of a second U.S. Treasury gold auction to be held on June 30 and the possibility of further sales after that caused a sharp reaction in the bullion price. The latter traded down to $161.75 per ounce at the afternoon's fixing but rallied to end the day a net $5.50 off at $162.50.

This prompted heavy protective marking down of the South African gold producers, which were also unsettled by the rioting in Rhodesia. Share prices ended at the day's lowest with the Gold Mines index falling 19 points to 410.

Losses in the heavyweights ranged to £2 in Hartebeest at £28 while Vaal Reefs (£31½) and St. Helena (£35¾) were both around £1½ down. "Sallies" gave up 35 at 665p.

Financials suffered in line with Golds but the London-based issues later rallied on the back of the firmer U.K. Industrial market. Charter, whose results are expected today, ended 1 harder at 180p after 175p and RTZ were 2 better at 195p after 191p. Gold Fields, however, showed no recovery closing at 269p for a 9 loss.

The Rhodesian news caused losses of 10 in Coronation (270p) and Falcon Mines (225p). Messina came back 30 to 340p ex-dividend owing to profit-taking after the recent advance but other Coppers held relatively steady.

Platinums continued to give ground with Potgietersrust 9 cheaper at 205p. Australians drifted in quiet trading following uninspiring home markets overnight. Gold issues were especially poor with Gold Mines of Kalgoorlie (185p) and Emperor Mines (165p) down 15 and 10 respectively.

Vultan edged up 1 to 11p on consideration of the implications for the company if the current bid from a third party to gain control of Greenbushes succeeds; the latter shares were unaltered at 42p.

Tins edged higher except for London Tin which fell 6 to 174p. Little interest was seen in Irish-Canadian issues owing to the Dublin Exchange being closed.

FINANCIAL TIMES STOCK INDICES

—	June 2	May 30	May 29	May 28	May 27	May 23	A year ago
Government Secs.	57.98	57.84	57.90	58.14	57.66	57.58	59.28
Fixed Interest	57.99	57.96	57.95	57.88	57.72	57.67	58.17
Industrial Ordinary	358.1	345.1	348.5	346.6	353.3	355.0	274.4
Gold Mines	410.0	429.0	425.2	430.7	435.7	433.2	297.0
Ord. Div. Yld. %	5.82	6.04	5.94	5.97	5.87	5.85	7.24
Earnings Yld. % (full) (a)	17.34	18.00	18.02	18.10	17.79	17.71	18.65
P/E Ratio (net) (a) (b)	8.18	7.88	7.86	7.81	7.92	7.96	7.59
Dealings marked	6,295	6,340	6,090	6,294	6,750	6,849	†6,042
Equity turnover £m.	—	77.36	71.16	57.89	59.43	77.75	33.87
Equity bargains total	—	19,414	16,816	16,152	17,051	19,632	11,794

10 a.m. 344.4. 11 a.m. 348.9. Noon 352.2. 1 p.m. 352.6. 2 p.m. 354.6. 3 p.m. 355.6.
Latest Index 01-246 8026. † Excluding regional exchanges.
(a) Based on 52 per cent. corporation tax. (b) Nil=5.11.
Basis 100. Govt. Secs. 15/10/26. Fixed int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	355.9 (20/5)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (30/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 2	May 30
Daily—		
Gilt-Edged	115.0	113.2
Industrials	214.5	215.4
Speculative	76.7	87.5
Totals	143.3	144.3
5-day Av'r'ge		
Gilt-Edged	121.0	121.1
Industrials	218.5	222.7
Speculative	85.8	88.0
Totals	144.6	147.1

FT—ACTUARIES INDICES

—	June 2	May 30	May 29	May 28	May 27	May 23	A year ago
Industrial Group	138.89	135.38	136.27	137.96	140.12	139.76	109.77
500 Shares	151.70	147.43	148.28	149.91	152.11	151.59	118.74
Div. Yield pc	5.78	5.95	5.93	5.86	5.78	5.80	6.86
P/E Ratio (net)	7.42	7.21	7.19	7.26	7.38	7.36	7.15
All Share	149.68	145.31	146.46	148.27	150.30	149.95	115.44
Consols yield pc	14.73	14.93	14.92	14.92	15.14	15.11	13.72

AUTHORISED UNIT TRUSTS

(g) Abacus Arbuthnot Ltd.
Fountain St., M/C. 061-236 9775/8

(a) (g) The Crescent Group
Crescent Unit Trust Managers Ltd.
4, Melville Cres., Edinburgh 3. 031-226 4931
81, Fountain St., Manchester. 061-236 5685
♦Crescent Growth 18.4 19.5 +0.2 4.90

(a) (c) ♥ Lawson Securities Ltd.
63 George Street, Edinburgh. 031-226 3911
Scots Resources* 71.0 76.0xd −0.3 3.70
Accum. Units 71.9 76.9xd 3.70
Gilt & Warrent †† 28.1 30.1 ..... 1.74

(a) (z) Pearl Montagu T. Mgrs. Ltd.
114, Old Broad St., EC2P 2YH. 01-588 6464
♦P & M GrowthFd 18.5 19.9 +0.3 4.12
♦(Accum. Units) 20.1 21.7 +0.4 4.12
♦P&M IncomeFd 22.3 24.0 +0.3 7.13

(a) (g) Slater Walker Tst. Mangmt.
♦Assets Trust 52.0 55.7 +0.6 6.73
♦Capital Acc. 36.8 39.4 ..... 4.79
♦Cap. Growth 29.2 31.4 −0.1 5.69
♦Century 39.7 42.7 +0.4 4.25

[INSURANCE, PROPERTY, BONDS PRICES PAGE 28]

OFFSHORE AND OVERSEAS FUNDS

Albany Management Co. Ltd.
P.O. Box 1549, Hamilton, Bermuda.
Albany Fd. Ltd. $5.87 5.66 ..... —

Australian Selection Fund N.V.
Lond Agent, Pan Australian Int Mgt Ltd., 20, Red Lion Court, E.C.4. 01-353 2416

Free World Fund Limited
Butterfield Building, Hamilton, Bermuda
NAV Apr. 30 US$152.62 ..... —

G.T. Bermuda Ltd.
Bk. of Bermuda, Front St, Hamltn, Brmda
BerryPePd May28 U.S.$24.29 ..... 1.70

Murray Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C.2. 041-221 5521
*Hope Street Fund US$21.00 ..... —
†Murray Fund US$6.13 ..... —
*NAV May 15. †NAV April 30.

Negit S.A.
10a, Boulevard Royal, Luxembourg.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
[illegible]	[illegible]	Savings 3pc 65-75	[illegible]	[illegible]	3.04	9.35
99⅝	[illegible]	Exch 6½pc 1976	[illegible]	......	6.64	9.34
97⅛	92⅞	Treasury 6½pc 1976	96⅞	......	6.71	9.06
99	97	Victory 4pc 1976	99	......	4.09	—
102	[illegible]	Treasury 10½pc 1976	[illegible]	......	10.37	9.64
95	[illegible]	Treasury 6¼pc 1977	[illegible]	[illegible]	6.61	9.66
91¼	86¾	Electric 3pc '74-77	[illegible]	[illegible]	3.29	8.40
[illegible]	96⅞	Treasury 11½pc '77	102¼	[illegible]	11.25	10.32
[illegible]	84	Treasury 3pc '77	[illegible]	[illegible]	3.45	9.05
85¾	[illegible]	Transport 4pc '72-77	[illegible]	+1	4.51	9.05
[illegible]	90½	Treasury 9pc 1978	95	[illegible]	9.44	11.02
[illegible]	93¾	Treasury 9pc '78 'A'	95	[illegible]	9.44	11.03
[illegible]	96⅝	Treasury 10¼pc '78	98	[illegible]	10.68	11.14
87⅛	79	Exchequer 5pc '76-78	85½	+⅛	5.85	10.25
103	[illegible]	Treasury 11¼pc '79	101⅛	+¼	11.37	11.09
79⅝	[illegible]	Treasury 3pc '79	77½	[illegible]	3.87	9.49
81	[illegible]	Electric 4¼pc '74-79	79½	[illegible]	5.35	10.22
[illegible]	96	Treasury 10½pc '79	98¼	[illegible]	10.67	11.01
79⅞	71	Electric 3½pc '76-79	77⅝	[illegible]	4.51	9.32
95	64	Treasury 9pc 1980	93	[illegible]	9.63	10.90
		Five to Fifteen Years				
79	68¾	Treasury 3½pc '77-80	74⅞	......	4.66	[illegible]
84½	71	Funding 5¼pc '78-80	79¼	......	6.61	10.62
75½	66½	Treasury 3½pc '79-81	73	......	4.86	10.07
91⅛	[illegible]	Do 8¼pc '80-82	89⅛	+¼	9.88	11.57
104⅛	86⅝	Treasury 12pc 1983	101½	[illegible]	12.13	11.50
78	58	Funding 5½pc '82-84	73⅛	[illegible]	7.74	10.77
[illegible]	61⅛	Treasury 8½pc '84-86	78	[illegible]	10.82	12.05
[illegible]	51⅜	Funding 6½pc '85-87	67	......	9.77	11.79
76¼	53	Treasury 7¾pc '85-88	71⅝	......	11.23	12.73
46⅛	32⅞	Transport 3pc '78-88	40⅞	[illegible]	7.30	12.06
[illegible]	[illegible]	Treasury 5pc '86-89	50⅜	+¼	10.06	12.69
		Over Fifteen Years				

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ Dtd. Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 86% (based on $2.3135 per £)

CANADIANS

S.E. List Premium 86% (based on $2.2710 per £)
Conversion factor 0.5385 (0.5360)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

For Metal Box see Industrials

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
13½	9	Jacks (Wm)	10	−½	—	—	—	—
25	15½	James (John)	22½	−½	d8.4	1.1	14.4	8.2
32	20	James (M) 10p	28	......	24.1	ϕ	14.0	ϕ
405	143	J'rdine M. HK$5	402xd	+2	¶Q10	ϕ	1.4	ϕ
10½	5	Jentique 5p	7½	......	9.6	2.3	9.8	6.9
38	20	Johns'n & B.12½p	34	......	d11.7	3.1	6.6	(13.8)
46	20	Johnson Clnrs.	40	......	8.7	1.6	8.4	11.2
323	120	Johnson Mth. £1	323	+6	10.6	4.5	5.1	6.3
41	18	Judge Int.	34	+½	7.6	3.6	8.6	5.0
27	14½	Kalamazoo 10p	25	......	16.2	2.7	10.0	4.7
47	20	Kelsey Ind. 12½p.	43xd	......	d19¼	4.7	8.8	3.7
17	9	Kennedy Sm. 10p.	16½	+1½	14.4	1.0	13.4	11.1
850	325	Kershaw (A.) 5p	850	+20	240.1	0.7	2.2	103.7
190	66	Kleeman	180	......	15.6	4.1	3.3	11.3
39	15	Kode Int.	29	......	4.9	ϕ	6.5	ϕ
59	24	L.C.P. Hlds	56	......	11.2	2.3	7.7	8.3
21	11	L.K. Ind. Inv.	19xd	......	d7.8	ϕ	15.9	ϕ
29	13½	L.R.C. Int. 10p	28	+2	26.7	1.9	14.7	5.0
101	56	Lamson Inds	83	......	11	3.5	5.1	8.1
40	30	Lawtex	31	......	10.3	4.2	12.8	2.3
117	48	Lead Inds. 50p	114	+1	9.4	5.9	6.3	4.1
40	17	Le Bas (Edr)	38	......	5.5	ϕ	5.6	4.0
40	15	Leboff Fobel 10p	36	+1	10.3	ϕ	4.5	ϕ
41	19	Lebus Harris	40	......	8	0.2	7.7	—
21	12	Leigh (L.) 5p	20	......	14.7	5.8	5.7	4.7
71	35	Leisure Car. 10p	70	......	44.2	ϕ	10.2	ϕ
155	59	Lep Group 10p	155	......	23.6	9.4	2.3	5.4
27	12	Lesney Prods. 5p	18	......	15.5	7.0	6.8	2.8

INDUSTRIALS—Continued

1975 High	Low	Stock	Price	+ or −	Div Net
104	40	Whitecroft 50p	72½	+7½	9.2
36	27	Whiteley B.S.&W.	29	......	10
62	33	Wilkes (J.)	48	−1	13.8
55	18	Wilkins Mitch'll	34	......	9
155	54	Wilk'sn M'tch £1	155	+5	7
£87	£51	Do. 10% 83-88	£85	......	Q10
34	18	Williams (J.)	32	......	†6.7
48	20	Wills (George)	44xd	+½	4.7
25	9½	Winn Inds. 20p	21	......	10.7
126	45	Wins'r & New'n	126	+2	26.3
26	18	Witter (Thomas)	21	......	10.5
105	47	Wolstenholme	100	......	24.1
15	13	Wood & Sons 5p	13	......	9.8
13½	7	Wood (Arthur) 5p	11½	......	13.3
13	8	Wood (W.) 10p	12	......	‡8¾
99	29	Wood Hall	91	−1	T16.1
6¼	4	Yatton Furn. 5p	6	−¼	6.3
27½	14	Zetters 5p	22	......	17.7

††INSURANCE

1975 High	Low	Stock	Price	+ or −	Div Net
65	30	Brentnall Bd. 10p	53	......	29.2
154	60	Britannic 5p	152	+4	140
970	440	Comb. Ins. Am. $1	910	+35	‡Q60c
194	72	Comm. Union	183	+13	27.4
148	44	Eagle Star	144xd	+6½	18.4
186	50	Equity & Law 5p	164	+4	102

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
8	3	Burma Mine 17½p	8	......	m0.5	—	17
56	17	Charterhall 5p	51	−1	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	760	......	Q130c	2.2	11.0
53½	29½	Laurasia	39	+1½	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	325	......	Q65c	1.0	8.6
211	80	R.T.Z.	195	+2	19.9	4.4	4.0
135	47½	Sabina Inds. C$1	110	−2	—	—	—
70	51	Stanford Mines $	62	......	—	—	—
£12½	875	Tara Expln. $1	£11½	−⅛	—	—	—
75	38	Yukon Cons C$1	65	−2	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- Γ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcd ex capital distribution.

"Recent Issues" and "Rights" Page 26

FINANCIAL TIMES

Tuesday June 3 1975

U.S. gold auction plan hits market

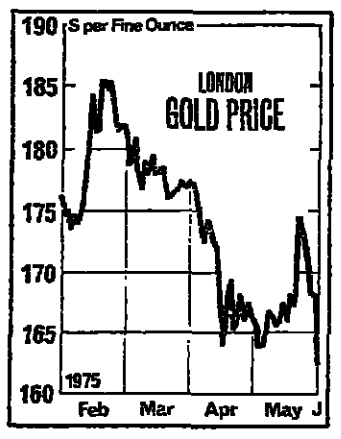
BY MICHAEL BLANDEN

THE GOLD price dropped sharply in London yesterday following Friday's announcement of the planned sale of another 500,000 ounces of gold by the U.S. Treasury.

Gold closed at $162¼ an ounce, a fall of $5½ from Friday's level. The price is now at its lowest level since last October 23, and a full 18 per cent. down from the peaks reached last December, when it nearly touched the $200 mark.

The main drop came in early trading yesterday as a result of sharp marking-down by dealers. It was felt that the news of the new U.S. auction—the second this year—was important not just for the amount involved but as an indication of U.S. policy towards the market. The move, it had been made clear, was designed to counteract the rise in U.S. gold imports in recent months.

Later in the day, the price moved within fairly narrow limits, recovering at one stage to around $164¼ in fairly active dealing. *Some encouragement*



was derived from the reaction of South Africa, suggesting that the main gold producing country could itself act to stabilise the market after the auction.

Our Johannesburg Correspondent writes: Senator Owen Horwood, South Africa's Finance Minister, reacted confidently to news of the U.S. auction yesterday explaining that if necessary the authorities could take action to stabilise the market. "It is a question of how you market the gold," he said, adding that the amount to be auctioned was equivalent to only one week's South African production.

Johannesburg bankers, however, emphasised *that* South Africa's ability to withhold gold from the market was limited. All the earnings were needed to settle the nation's balance of payments accounts. Gold production could only be withheld from the market if other means could be found to help finance imports.

South Africa, they explained, could possibly borrow more abroad—or it could perhaps enter into a special gold deal with some other party prepared to keep the metal off the free market for a period of time.

News of the auction had come *at an awkward time for* Pretoria, they said. There would be little cause for concern if the balance of payments were heavily in surplus and foreign reserves were rising strongly. But while the fundamentals of the balance of payments were sound, anxiety over the future of sterling had put a question mark over the leads and lags and the short-term capital account.

If sterling sank lower, speculators might take the view that the Rand was going down too, in which case there could be an *embarrassing outflow of short-*term capital, forcing the Central Bank either to borrow more abroad or allow foreign reserves to fall.

Zanu boycotts talks after Salisbury riots

BY TONY HAWKINS

SALISBURY, June 2.

A SERIOUS SPLIT developed in *the ranks of the* African National Council to-day in the wake of Sunday's violence that left 13 Africans shot dead by police and 28 injured. Three policemen were injured—one, an African constable, is in a serious condition with head injuries.

The Zapu and Zanu factions that joined together last December in the uneasy umbrella alliance within the ANC have each blamed the other for creating the incidents that led to the police intervention and shooting.

The split within the ANC, so apparent from the feuding be*tween rival groups of supporters* at Sunday's meeting, came into the open at executive level today when Zanu members of the Council—led by Mr. Enos Nkala, who leads Zanu in the absence of the Rev. Ndabaningi Sithole and Mr. Robert Mugabe, both of whom are out of the country—announced that they would boycott the planned ANC congress due to be held in Salisbury on June 21-22.

Mr. Nkala said Zanu "dissociated itself" from the statement issued after the meeting, announcing the congress date and the decision to resume preliminary talks aimed at convening a constitutional conference with Mr. Smith.

The real row within the ANC on Sunday was not concerned with whether or not preliminary talks should be resumed with the Smith government (which, according to Council sources, was accepted unanimously) but over the calling of the first con*gress since the fusion of* the nationalist movements last December.

The Zanu element is opposed to such a congress because it fears that Zapu would sweep the board in leadership elections, perhaps resulting in the replacement of Bishop Abel Muzorewa, leader of the ANC (who now appears to have thrown in his lot with Zanu) by Mr. Joshua Nkomo.

The Zapu element (led by Mr. Nkomo) is keen on an early congress, partly to stamp its authority on the ANC at a time when the country's younger Africans are much more impressed with the guerilla activities in the north-east of Zanu and partly because the Zapu men feel that the present Troika running the ANC is not operating effectively.

The Zanu stand against a congress has been supported by two "moderate" members of the ANC—the Rev. Henry Kachidza, who went to the Kingston talks of the Commonwealth Prime Ministers with Bishop Muzorewa, and Dr. Gordon Chavunduka, secretary-general of the ANC.

Their stand is believed to reflect their fear that the holding of a congress would lead to increased bitterness between the *two factions and that the* replacement of Bishop Muzorewa by a prominent member of either faction would spell disaster for ANC unity.

The pro-Congress argue that the original Lusaka agreement between Zapu, Zanu, Frolizi and the ANC, provided for an interim arrangement for four months. Thereafter, the existing leaders would have no mandate to continue without support from a congress.

This means that Bishop Muzorewa will be faced with an extremely delicate situation when he returns to Salisbury on Wednesday.

The executive is believed to have voted by a substantial majority for congress, but party officials argue that more time is needed to organise a congress and also that the police would be unlikely to allow it to go ahead after Sunday's violence.

Foot calls unions to help design new social contract

BY JOHN ELLIOTT, LABOUR EDITOR

A CALL to union leaders to join the Government in the "two-way business" of designing a new version of the social contract for the coming year was issued yesterday by Mr. Michael Foot, Secretary for Employment.

Foreshadowing the talks between the Government and TUC—and probably involving the CBI—which are expected to take place on economic policy during the coming two or three months, Mr. Foot stressed to trade union conferences in the North-West that he still had faith in *the social contract.*

At the same time, Mr. Foot's close colleague, Mr. Jack Jones of the Transport Workers, attacked politically motivated "Tory-minded men of power with multi-thousand pound salaries" for trying to destroy the social contract. He called on workers to sacrifice "a few extra per cent. in wage increases" to defend the social wage.

Both Mr. Foot and Mr. Jones are now preparing, along with other TUC leaders and economic Ministers, for the expected talks on what form the social contract and its wage guidelines should take when the country's next wage round starts in the late autumn.

Although the outcome of the threatened railway strike will have a significant impact on the attitudes of those involved, present plans indicate talks between the TUC-Labour Party Liaison Committee, the National Economic Development Council and others starting soon, when the EEC referendum has taken place, and continuing for some two months.

What emerges would then go to the annual Trades Union Congress, to take place during the first week of September in Blackpool, followed a month later by the Labour Party annual conferences.

Considerable political in-*fighting is likely during the talks* over how much freedom should be left to the unions following their failure in the past year to stick to their wage guidelines.

Yesterday Mr. Foot made his position in this debate clear when he said that a policy "of consent and persuasion, not force and dictation" was needed.

Mr. Foot was making his first public appearance after a holiday abroad for convalescence and delivered his remarks to the annual conferences of the Tailors and Garment Workers in Southport and the constructional section of the Engineers in Blackpool.

Referring to the expected future discussions between the Government and union leaders on "how to proceed in another year," he said: "I hope we can sustain our co-operation. It will be a two-way business. I hope, as a result, we will be able to work out a common policy. I believe we will need such a common policy, whether we are in or out of the Market."

He also echoed warnings made by other Ministers, including the Chancellor of the Exchequer, that unemployment could be seriously affected if Britain continued with an inflation rate higher than many other countries. But Britain's fundamental economic problems had been inherited from the Conservatives and were not the result of "some malevolence by Tony Benn."

Mr. Jones' remarks came in the latest issue of his union's newspaper. He repeated his idea of a flat pay increase for everyone related to price rises and urged that the country should not be panicked into the idea of accepting a pay freeze.

Northern Developments in hands of receivers

BY NICHOLAS LESLIE

NORTHERN Developments (Holdings), the Blackburn based housebuilding group whose bankers agreed nearly a year ago to "roll up" interest on loans because of the company's liquidity problems, has now been placed in the hands of Receivers.

However, there is no present intention to liquidate the company and it is hoped to continue it as a going concern.

The company's share quotation was suspended on the news. The price then was 10p—par value—at which level it is valued at £1.83m., compared with over £10m. at one point last year.

The decision was taken collectively by a group of some 18 bankers to the company, but it was Williams and Glyn's Bank—*as debenture holders to the* parent company — which appointed Mr. Rupert Nicholson and Mr. P. J. Butler, partners in accountants, Peat, Marwick, Mitchell and Co., as Receivers.

Mr. Nicholson—who handled the major receivership of Rolls-Royce Limited—was last month appointed receiver of another property concern, Bacal Construction.

A statement yesterday said the Receivers would be taking control of Northern's assets and would make a full investigation of its affairs. In the meantime, it was the "intention that the group should continue to develop and build its sites on a controlled basis." Interests of buyers of houses who had paid deposits would so far as possible be safeguarded.

Commenting on the reasons behind the banks' move, a spokesman for Williams and Glyn's said: "We came to the conclusion that tighter control is necessary." But he refused to say whether this meant that cash requirements were escalating or whether funds required were not being reduced fast enough.

In July, 1974, Northern's borrowings were around £40m., although the level has since been reduced. UDT Securities—part of United Dominions Trust—*recently sold 20 of Northern's* sites on which its loans were secured, thus realising £4.31m.

Northern, whose chairman is Mr. Derek Barnes, is one of the largest housebuilders in the country. But in July last it reported liquidity was under strain as a result of a loss in connection with the collapse of the Cornhill Consolidated secondary banking concern.

In the year to March, 1974, it incurred a loss of £5.1m. after writing £8.6m. off the value of its land portfolio. In the first half of the year to March, 1975, it lost a further £1.24m.

At present, Northern has over 120 sites on which more than 4,000 houses are in varying stages of construction. The size of the company presents the receivers with a considerable task in assessing current value and financial requirements.

But, backed by a team of some 60 accountants, it appears that they are hopeful of completing such an assessment in about a fortnight, after which it will become clearer as to what chances there are of maintaining Northern as a going concern.

Weather

U.K. TO-DAY

SHOWERS and sunny periods. Showers, heavier in the East will fall as snow over the Scottish hills and the Pennines. Cool, with frost at first in sheltered areas.

London, S.E. England, Cent. S. England, Midlands, Channel Is., S.W. England, S. and N. Wales, I. of Man, Northern Ireland

Sunny, occasional showers. Wind N.W., moderate or fresh. Cool. Max. 12C (54F).

E. Anglia, E. England, N.E. England, Borders, Edinburgh, *Dundee, Aberdeen*

Cloudy. Rain at first, bright intervals and showers later. Wind N. to N.E. strong. Very cool. Max. 10C (50F).

N.W. England, Lakes, Cent. N. England, Cent. Highlands, Moray Firth, N.E. Scotland, N.W. Scotland

Sunny intervals and showers. Snow over hills. Wind N. to N.E. strong. Cool. Max. 11C (52F).

S.W. Scotland, Glasgow, Argyll

Sunny, scattered showers. Frost at first in sheltered places. Wind N., moderate. Cool. Max. 13C (55F).

Orkney, Shetland

Cloudy, showers. Wind N.E. fresh. Cool. Max 8C (46F).

Outlook: Showers, bright intervals. Becoming less cold.

Lighting-up: London 21.39, Manchester 21.58, Glasgow 22.21, Belfast 22.20.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm	R	10	50	Madrid	F	15	59
Athens	S	26	79	Manchestr	H	6	43
Bahrain	S	38	100	Melbourne	C	15	59
Barcelona	S	17	63	Milan	S	17	63
Beirut	S	26	79	Montreal	S	20	68
Belfast	R	9	48	Moscow	C	9	48
Belgrade	F	21	70	Munich	R	7	45
Berlin	F	14	57	Newcastle	R	7	45
Birmghm	C	12	54	New York	S	24	75
Bristol	S	12	54	Oslo	F	12	54
Brussels	R	9	48	Paris	C	13	55
Budapest	C	13	55	Perth	C	18	63
B. Aires	S	13	55	Prague	C	9	48
Cairo	S	34	93	Reykjavik	F	5	41
Cardiff	S	11	52	Rio de J'o	S	25	77
Cologne	F	13	55	Rome	F	21	72
Copnhagn	C	10	50	Singapore	S	30	86
Dublin	C	11	52	Stockholm	F	10	50
Edinburgh	R	5	41	Strasbourg	F	15	59
Frankfurt	F	13	55	Sydney	C	19	66
Geneva	F	12	54	Tehran	S	29	84
Glasgow	R	5	41	Tel Aviv	S	25	77
Helsinki	S	11	52	Tokyo	C	22	72
H. Kong	C	28	82	Toronto	S	19	65
Jo'burg	S	20	68	Vienna	F	12	55
Lisbon	S	17	63	Warsaw	C	11	52
London	F	10	50	Zurich	S	11	52
Luxembrg	C	10	50				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	F	19	66	Las Plms	F	20	68
Algiers	F	22	72	Locarno	S	19	66
Biarritz	S	15	59	Majorca	C	18	64
Blackpool	R	7	45	Malaga	F	24	75
Bordeaux	F	17	63	Malta	S	24	75
Boulogne	C	11	52	Nairobi	S	21	70
Casablnca	F	29	85	*Naples*	F	24	75
Cape Tn	C	18	64	Nassau	S	29	84
Corfu	S	27	81	Nice	S	18	64
Faro	F	16	61	Nicosia	S	30	86
Florence	R	16	61	Oporto	F	18	64
Funchal	S	19	66	Rhodes	S	31	88
Guernsey	R	11	52	Salzburg	R	6	43
Innsbruck	R	6	43	Tangier	F	18	64
Inverness	F	8	46	Tenerife	C	16	61
I. of Man	F	8	46	Tunis	C	23	73
Istanbul	S	30	86	Valencia	S	20	68
Jersey	C	13	55	Venice	T	18	64

S—Sunny. F—Fair. C—Cloudy. R—Rain. T—Thunderstorm. H—Hail.

Continued from Page 1

Israeli troop cuts

ping through the Canal as an important and constructive development in consonance with the disengagement of forces agreement between Israel and Egypt of January 1974, and hopes it will serve the interests of all maritime nations."

In answer to a question he confirmed indirectly that the reference to all "maritime nations" indicated Israel's expectation that Egypt would honour the secret undertaking made at the time of the disengagement accord that cargoes destined for Israel would be allowed to pass through the Canal from the time of its opening.

Apart from the troop reduction, Israel is to halve the permissible number o ftanks in the missible number of tanks in the back its artillery to a 20-mile distance and withdraw all missiles, except anti-tank ones, up to 25 miles from the Canal.

In the pan-Arab context, meanwhile, a positive development in the context of the peace search has been the formal proposal by Sudan backed (and perhaps inspired) by Egypt and Saudi Arabia to postpone the summit which had been scheduled to take place in Mogadishu on June 28. With the U.S. mediation bid still very much alive, Egypt is understood to be reluctant to entangle itself in new consultations with and commitments to its brother Arab countries.

Reksten charter tankers seized

BY MARGARET REID

THE LARGE tanker "Titan" has been repossessed from the Norwegian tanker magnate, Mr. Hilmar Reksten, by its British owner, Ocean Transport and *Trading, because of non-pay*ment of the £200,000 a month charter hire since May 1.

The troubles which the present tanker slump have brought for Mr. Reksten are also underlined by a Norwegian arbitration court's order to Mr. Reksten as well as his companies to pay the Aker shipyard group damages of Kr.234m. (£20.3m.) in respect of tanker orders.

Discussions have been under way recently about the problems confronting Mr. Reksten, a well-known operator in the *spot market, who has* large borrowings from Hambros Bank in London, and considerable tanker tonnage now laid up.

One outcome may be the sale of certain Reksten shareholdings in Norwegian companies—including Norsk Hydro—to generate cash.

At yesterday's annual meeting of Ocean Transport, chairman Sir Lindsay Alexander, said discussions with Mr. Reksten over the Titan were in progress but might be long drawn out. "We shall naturally pursue our claim with full vigour," he added. Prospects of satisfactory alternative employment in the next year or two for the 226,000-ton vessel—chartered to Reksten until 1980—were poor, he said.

Forecast

The situation had been fully allowed for in the forecast, which was unchanged, that Ocean's 1975 profits would be much the same as in 1974.

The Norwegian court's order, given yesterday, arose from a case concerning contracts for four super tankers of 420,000 tons each which Mr. Reksten had ordered from Aker. When the contract was signed, Kr.86m. (£7.5m.) was paid in advance, so total damages were Kr.320m. (£27.9m.).

The Aker group last year decided to cancel the contracts because the second instalment of the contract had not been paid. Mr. Reksten argued that he felt justified in withholding payment because the Aker group would be unable to *observe terms of delivery.* He also claimed repayment of the advance payment of costs.

The same arbitration court is later to consider an additional case of arbitration between Mr. Reksten and the Aker group concerning Mr. Reksten's cancellation of two tankers of 285,000 tons each in September 1974.

BSC starts cost-saving moves agreed with unions

BY OUR INDUSTRIAL EDITOR

THE BRITISH Steel Corporation *has started to implement the* cost-saving measures agreed with the steel unions less than two weeks ago as an alternative to heavy redundancies.

The BSC management is taking some encouragement from its early success in getting the deal implemented at local level and hopes it can achieve the savings of £100m. on labour costs which it is aiming for this year, despite the unions' rejection of its plan to dismiss 22,000 workers.

The first of the cuts agreed between the BSC and the TUC steel committee are understood to be taking place within the cor*poration's hard-pressed strip* mills division, where demand has been badly hit by the motor industry and domestic appliance recession.

Overtime working is being reduced and some men on night shifts are being switched to daytime working, cutting out premium payments. This means a drop of up to £15 a week for some night workers.

There has also been some success within the strip mills and other divisions in reducing to insignificant levels overtime for staff, process and craft personnel. In addition, *recruitment* has been virtually halted.

Continued from Page 1

Lever on oil control

argued that Mr. Varley's claims were untrue. "Mr. Varley told the Commons on February 11 that when addressing other EEC Energy Ministers they had not challenged him when he had said that our resources of oil and gas in the North Sea must remain under our national control. Why does he now suggest that what he said then has ceased to be true in June? Is this not just another anti-Market scare?"

Last night, Mr. Prentice, Edu*cation Secretary, received* embarrassing support for his "national unity" speech from Mr. Maurice Macmillan, the Conservative MP, and from Mr. Dick Taverne, the ex-Labour MP and former Independent MP for Lincoln.

● There would have to be harsh Government measures to correct Britain's imbalance of trade with the other countries in the EEC, said Mr. Peter Shore, the Trade Secretary, yesterday in a referendum TV programme with Mr. Edaward Heath.

Mr. Heath immediately pounced on this statement, saying it was "very interesting" and asking why the Government did not act now—implying that Ministers were waiting until after the referendum.

He also pressed Mr. Shore several times to say what these "harsh measures" would be. "What you and your colleagues want is to put up import controls and reduce Britain to a condition of siege economy," he said.

But Mr. Shore refused to be drawn in detail, merely saying that "no Government could allow the present situation to continue" and rely on overseas *borrowing to finance our deficit.*

The Chancellor's monitoring of the situation continued, he added, and "we hope that things will improve."

ALCAN METAL CENTRE MOVES

Alcan Metal Centres has moved headquarters to a five-acre site at Coseley, near Wolverhampton.

The 90,000 square feet accommodation includes offices and storage for extrusions, floor storage, and a processing and fabrication area for alloy steels and non-ferrous products besides aluminium.

THE LEX COLUMN

John Brown loses its yield prop

Index rose 13.0 to 358.1

The John Brown share price has always leant heavily on its dividend yield, which makes last night's news—no final payment following a higher interim dividend—all the more damaging. *The losses at* Constructors John Brown seem to be running at two or three times the level expected in February; in the 12 months to March CJB losses emerge at £4.9m. and although a stable performance by the rest of the group will produce a small profit before tax overall, this will disappear at the attributable level.

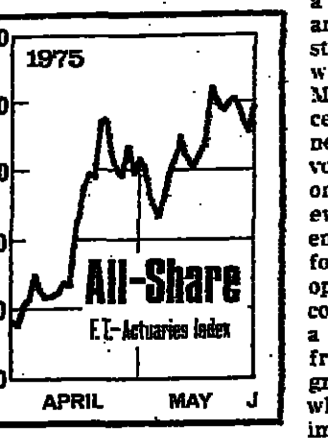
The balance sheet implications for the group are obviously serious with depreciation running at roughly £2¼m. *and heavy working capital* requirements. A year ago stocks and debtors accounted for three-quarters of the balance sheet total and net working capital amounted to £34m. Selling off Wickman Wimet in 1973 helped to reduce the borrowing levels, but debt still represented over a third of shareholders' funds (£36½m.) in the last balance sheet, and the figure will presumably be higher now. Full provision has been made against the problem contracts. But a *market capitalisation of £18½m.* at 118p has to cope with the fact that the group's return on capital employed over the past decade has averaged well under 10 per cent.

Metal Box

Metal Box's pre-tax profits, though 23 per cent. higher at £36.7m., were sufficiently below expectations to leave the shares unchanged at 290p in yesterday's buoyant market. The first half had, of course, been an exceptional one, and demand predictably eased off in the U.K. in October-March except in the still growing beer can market, while customers are now proving less eager than usual to stock up ahead of the food canning season. So with strike problems, too, at Westhoughton, U.K. profits declined in the second half, though a change in the basis of the home and overseas split since the interim report makes it impossible to put an exact figure on the reversal.

What is certain, however, is that the overseas activities proved resilient enough in the second half to leave group pre-tax profits marginally better for the period, while for the whole year the overseas contribution rose from 39 to 43 per cent. The solid performance in South Africa continues to be the major influence here.

Although borrowings have risen, U.K. tax is now confined to ACT and MB sees no cash



problems at present. General trends may be unexciting, but initial contributions could be seen later this year from the *Nigerian glass project* and the U.K. two-piece can development; the shares should perform in line with the market.

Hanson Trust

Hanson Trust's interim profits are up from £5.5m. to £5.7m., and North America is again the key. Six months from the Seacoast acquisition has brought in about £3m., against just over £1m. from three months last year, and that *conveniently offsets the dis*appearance of £1.6m. of property profits, and a drop of over a third to £600,000 in building materials. There were no property profits in the second half last time, brick production is stablising, and Seacoast's year has already ended. So overall profits of £11m.—or a bit more against £10.4m.—look reasonably assured.

Thereafter Hanson will probably have to cope with a *sharp drop in the U.S.,* where fishmeal prices have fallen by very roughly a third. But there is still about £10m. of capital employed in bricks, which has returned 50 per cent. or more at the right end of the cycle, and the scope for acquisitions remains unimpaired, with a net £13½m. in the bank and net cash flow exceeding the group's existing requirements by over £2m. this year. The shares have substantially outperformed the market this year, and a market capitalisation of £51m. at 158p is comparable to end-1972 levels.

Foseco Minsep

Foseco Minsep has risen over a fifth to 173p in the past month and yesterday a first quarter statement helped to explain why. In the three months to March, group sales are 27 per cent. higher at £32m. with nearly half that attributable to volume; and profits are ahead on maintained margins. However, the margin story apparently applies to an overall level for 1974 while returns for the opening months a year ago could have been depressed. Only a fifth of Foseco's profits came from the U.K. last year so the group has currency strengths; while the dependence of the important metallurgical division on a declining steel cycle is cushioned by new products. Finally, the group balance sheet remains remarkably free of liquidity pressures. End-1974 net borrowings are down from 30 per cent. to 25 per cent. of tangible shareholders' funds of £26m. Stocks have been held in check this year and the 1975 capital spend is not going to top last year's £5m.

Northern Dev.

So the plug has finally been pulled on Northern Developments, when dawn was at last in sight. Williams and Glyn's, which has made £12m. of special provisions against advances over the past 18 months, says that it wants to impost tighter management controls. But it is hard to imagine that Northern's formal arrangements with its *bankers would have been sus*pended if there had been no sign of a pick-up in the housing market, for without that there would have been no chance of getting cash out of the business.

At a guess, Northern's borrow*ings are something like £35m.,* and its book net worth, if any, is negligible. But it has *still* got a very large and heavily written down land bank—40,000 units at £600 a plot, on one estimate—and it is said to have been selling sizeable tracts of land well above book values in recent months.

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